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Corporate Update

Visit Note: Meeting with Gamuda Australia

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.

RE infra to take centre stage. As the infrastructure pipeline in Australia begins to pivot towards renewable energy, so is Gamuda's strategy. We met with the Gamuda Australia team during our recent visit to Sydney and we remain optimistic on its prospects Down Under in terms of renewable energy, infrastructure and its potential entry into New Zealand.

Equity and EPC approach for clean energy. Gamuda's focus on the clean energy sector stems from the idea that owning and developing assets, rather than solely acting as a contractor, creates greater value across the project lifecycle. By taking an equity position, Gamuda can influence project design from the outset to ensure constructability, optimise layouts, and balance commercial returns with social licence considerations. This approach mitigates risks often pushed onto engineering, procurement and construction (EPC) contractors in short tender windows, while also strengthening community engagement which has become an increasingly critical factor in securing development approvals for large-scale renewable projects. Part of Gamuda's strategy would also be to pare down its stakes in these clean energy assets after the defect-liability period. This in our view allows them to recycle their capital into new projects while maintaining a minimal stake to enjoy the recurring income.

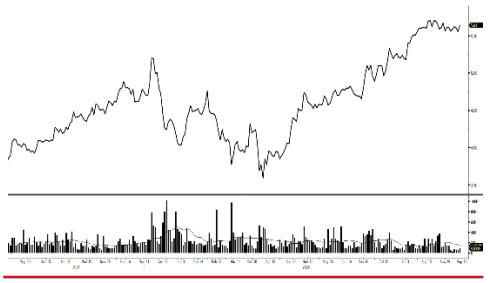
More deals in the pipeline after Central Tassie acquisition. In Jul-25, Gamuda inked a landmark agreement with local Tasmanian landowners Downie Family and its development partner Alternate Path, to codevelop a portfolio of large-scale renewable energy projects in Central Tasmania. Gamuda's equity stake is expected to be 50%, and the portfolio will consist of a combined capacity of 600MW of wind and solar energy generation, namely the Weasel Solar Farm (200MW) and the Cellars Hill Wind Farm (400MW) and up to 600MW of battery storage (BESS). EPC works are expected to kick off in FY27 for the Weasel Solar Farm and FY28 for the Cellars Hill Wind Farm. There are two more medium-term opportunities in Tasmania and one in Western Australia that Gamuda is currently negotiating and due diligence is being conducted on several solar and wind projects.

Maintain BUY

Unchanged Target Price **RM6.35**

RETURN STATISTICS	
Price @ 12th Sept 2025 (RM)	5.64
Expected share price return (%)	+12.6
Expected dividend yield (%)	+1.8
Expected total return (%)	+14.4

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	0.7	-0.8
3months	17.7	11.0
12 months	48.6	54.6

INVESTMENT STATISTICS

FYE Jul	2024A	2025F	2026F
Revenue	13,345	15,682	19,404
Operating Profit	945	1,176	1,843
Profit Before Tax	1,097	1,252	1,820
Core PATAMI	907	994	1,470
Core EPS	16.0	17.5	25.8
DPS	8	10	10
Dividend Yield	1.4%	1.8%	1.8%

KEY STATISTICS	
FBM KLCI	1,600.13
Issue shares (m)	5550.61
Estimated free float (%)	86.47
Market Capitalisation (RM'm)	33,003.41
52-wk price range	RM3.48 - RM5.8
3-mth average daily volume (m)	17.61
3-mth average daily value (RM'm)	92.27
Top Shareholders (%)	
Employees Provident Fund	17.74
Amanah Saham Nasional	4.12
Generasi Setia M Sdn Bhd	4.01

Analyst

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Maiden project in final stages. Gamuda is currently approaching the final stages of its maiden and flagship project in Australia, the Western Tunnelling Package for the Sydney Metro West (SMW), which is estimated to be about 93% currently. It was reported that the boring tunnel machine (TBM) Betty, which began tunnelling in Aug-23, has now been completed while TBM Dorothy is about 1km behind, which we expect to be done in about five to six weeks. Recall that the AUD2.16b (RM6.5b) project, for 9km of twin metro rail tunnel between Westmead and Sydney Olympic Park among others, was awarded in Mar-22 to a Gamuda Australia-Laing O'Rourke Australia consortium. Gamuda holds a 100% stake, with Laing O'Rourke providing project management services for an agreed fee. There was previously a six-week halt due to concerns over the depth of foundations near the Telstra Exchange building at 213 Church Street. We understand that Gamuda has worked with the client Sydney Metro to solve the technical issues, which should be a boon for Gamuda in terms of variation order.

More opportunities under SMW. Beyond the Western Tunnelling Package, we believe there could be further opportunities under the SMW as Gamuda-led consortiums have been shortlisted for three more packages, most of which would likely be announced by CY26. These are the SMW - Stations Package, SMW - Parramatta Station and the SMW Olympic Park Station, all of which may potentially add another AUD3.0b to Gamuda's order book.

Coffs Harbour to be completed ahead of time. Management guided that the Coffs Harbour Bypass project in New South Wales has achieved significant progress and could be delivered ahead of schedule, initially slated for late-2027. Gamuda, in a 50:50 JV with Ferrovial Construction (Australia), was awarded the AUD1.35b (RM4.10b) project in Jun-22 for the construction of 14km of new and upgraded four-lane divided highway and three short tunnels, among others. All three tunnels have been broken through and work has now progressed towards fitting out the tunnels.

Preferred contractor for Marinus Link. Gamuda's wholly owned subsidiary DT Infrastructure (DTI) was recently named as the preferred contractor for the balance of works contract for the Marinus Link Stage 1. Project owner Marinus Link Pty Ltd has selected TasVic Greenlink, a 50:50 JV between DTI and Samsung C&T Corp. will cover the construction of converter stations in Heybridge and Hazelwood, the installation of equipment and the land cable civil works, which spans 90km across Gippsland. We expect the contract to come up to about AUD1.0b, with Gamuda's share of the contract amounting to about RM1.40b. We anticipate the official contract award by end Sept-25. Marinus Link will be delivered in two stages. The initial 750MW for Stage 1 will be constructed from 2026 to 2030 while the second 750MW under Stage 2 will follow at a later date. The Marinus Link is meant to improve the connection between Tasmania and the national grid, enabling the flow of more electricity in both directions.

Record high tender pipeline. Gamuda's tender activity in Australia is expected to reach an all-time high of AUD22.47b in FY26, almost double the amount of AUD11.66b in FY25, coming from six main sectors namely road, rail, water, transmission, energy balance of plant (BOP) and pumped hydro. Significant projects include the AUD2.90b Capricornia Pumped Hydroelectric Storage System, the AUD1.50b Oven Mountain Pumped Hydro and the AUD3.7b New England Renewable Energy Zone (REZ) Transmission Project. The group has also identified tender opportunities of up to AUD14.87b in FY27 and AUD8.11b in FY28. Meanwhile, DT Infrastructure will be tendering for the AUD3.9b Parramatta Light Rail Stage Two. It was previously involved in Stage 1, in a JV with CBP Contractors. We have summarised the projects that Gamuda has been shortlisted or tendering for in Figure 1 below.

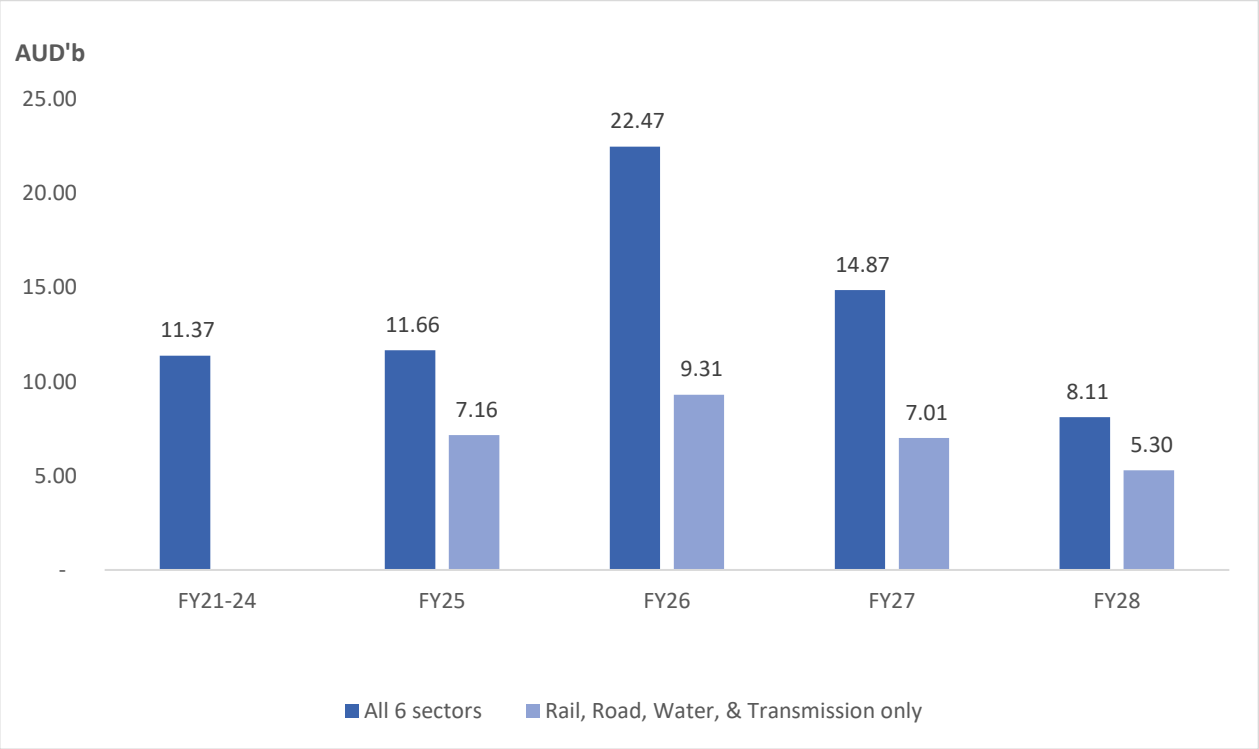
Targeting PPP opportunities in NZ. Gamuda's potential entry into New Zealand could not have come at a better timing as they have identified a healthy pipeline of up to four infrastructure public-private partnerships (PPPs) that could be rolled out in the next 18 months. Gamuda Engineering was recently shortlisted for Section One of the Northland Corridor in New Zealand, which is estimated to cost NZD3.8b. Under the Together North consortium it is teaming up with Plenary, Webuild, WBCA and Service Stream. They are competing against two other consortiums, and the expected contract award is CY26. This is also a PPP contract and Gamuda is considering taking an equity position in it.

Table 1: Gamuda's ongoing projects in Australia

Date awarded	Client	Project	Awarded to	Stake	Sum (AUD)	Gamuda's share (RM)	Starting date	Completion date	Progress (estimated)
Sep-21	Transport for New South Wales	Warringah Freeway Upgrade	CPB Contractors & DT Infrastructure JV	67%/33%	AUD1.60b	RM1.48b	Dec-22	Jul-26	75%
1-Mar-22	Sydney Metro	Sydney Metro West - Western Tunnelling Package	Gamuda & Laing O'Rourke Australia JV	100%/0%	AUD2.70b	RM7.56b	Apr-22	2026	93%
17-Jun-22	Transport for New South Wales	Coffs Harbour Bypass	Ferrovial & Gamuda JV	50%/50%	AUD1.35b	RM2.05b	2023	2027	50%
22-Dec-22	Transport for New South Wales	M1 Motorway Extension to Raymond Terrace: Black Hill to Tomago Works	John Holland & Gamuda JV	60%/40%	AUD1.03b	RM1.21b	2024	2028	65%
18-Jul-24	Public Transport Authority	Metronet - High Capacity Signalling	AD Alliance consortium (Alstom Transport Australia and DT Infrastructure)	54%/46%	AUD1.60b	RM2.30b	2H24	Over 10 years	1%
27-Sep-24	Aula Energy	Boulder Creek Wind Farm - Stage 1	DT Intrastructure	100%	AUD243m	RM702m	Nov-24	Dec-26	14%
16-Dec-24	Lightsource BP	Goulburn River Solar Farm	DT Intrastructure	100%	AUD626m	RM1.80b	Jan-25	Dec-26	12%
-	Department of Transport & Main Roads	Queensland Train Manufacturing Program (QTMP): Ormeau Maintenance Facility	DT Infrastructure	100%	AUD750m	RM2.1b	-	Mar-28	21%

Source: Infrastructure Partnerships Australia, Gamuda, MBSBR

Figure 1: Gamuda's tender pipeline in Australia



Source: Gamuda

Figure 2: Gamuda's tender pipeline in Australia

	Client	Project	Shortlisted consortia/entity	Stake	Estimated Sum (AUD)	Gamuda's share (RM)	Expected contract award	Start	Completion	Status
1	Sydney Metro	**Sydney Metro West - Stations Package** - Construction of 5 stations	Metrovista Consortium (Gamuda, DT Infrastructure and BESIX Watpac)	TBA	AUD2.0b	TBA	TBA	TBA	TBA	Under procurement stage. Metrovista is competing against: 1) CBP Contractors and Lendlease consortium
2	Alinta Energy	**Oven Mountain Pumped Hydro** - Construction of a 900MW off river facility near Macleay River between Armidale and Kempsey	Gamuda and Ferrovial Construction JV	50%/50%	AUD1.50b	RM2.1b	4QCY25	2026	2030	Gamuda-Ferrovial was awarded the early contractor involvement (ECI) contract. Progress towards official EPCC award premised on necessary approvals to be secured
3	EnergyCo	**Hunter Transmission Project** - 110km northern section of the Sydney Ring. New above-ground 500 kilovolt (kV) transmission line between Bayswater and Eraring in the Hunter region to connect the State's existing 500 kV transmission lines.	Gamuda and Seymour Whyte JV	TBA	AUD0.7b	TBA	TBA	2026	2028	Under procurement stage. Gamuda-Seymour Whyte JV is competing against: 1) ACCIONA & Genus JV 2) Downer Utilities Australia 3) UGL Engineering & CPB Contractors JV
4	Copenhagen Infrastructure Partners	**Capricornia Pumped Hydroelectric Storage System** - 750MW pump and generation facility, total storage capacity of 12GWh and water transfer volume of 18.1 gigalitres, 80km west of Mackay in North Queensland	Gamuda and Ferrovial Construction JV	50%/50%	AUD2.90b	RM4.06b	4QCY25	2026	2031	Gamuda-Ferrovial was awarded the early contractor involvement (ECI) contract. Progress towards official EPCC award premised on necessary approvals to be secured
5	Aula Energy	**Carmody's Hill Wind Farm** - 256.2MW of wind generation capacity using 42 turbines, 118MW BESS and 12.8km of 275kV transmission line	DT Infrastructure	TBA	AUD350m	TBA	4QCY25	2026	TBA	DTI has been appointed to deliver the early works. Progress towards official EPCC award premised on necessary approvals to be secured
6	Sydney Metro	**Sydney Metro West - Parramatta Station** - Integrated Station Development (ISD). Overstation development to include commercial, retail and residential space	Consortium comprising Gamuda Engineering, Billbergia, Gamuda and MTR Corporation	TBA	TBA	TBA	2026	2026	2030	Under procurement stage. Gamuda-led consortium is competing against: 1) Lendlease Construction and Lendlease Development consortium
7	New Zealand Transport Agency - Waka Kotahi	**Northland Corridor Section One - Warkworth to Te Hana** - 26km expressway from Warkworth to Te Hana in the North Island of NZ. The design also includes an 850-metre-long twin bore tunnel in the Dome Valley and three interchanges	Together North consortium (Plenary, Webuild, Gamuda Engineering, WBCA and Service Stream)	TBA	NZD3.8b	TBA	2026	2026	2034	Under procurement stage. Together North consortium is competing against: 1) Northway consortium (ACCIONA Concesiones, ACCIONA Construction, Aberdeen Investments) 2) Go>North consortium (John Laing, VINCI Highways, VINCI Construction Grands Projets, VINCI Construction GeoInfrastructure, HEB Construction)
8	Sydney Metro	**Sydney Metro West - Olympic Park Station** - Integrated Station Development (ISD). Single contract for delivery of a station package and developments package. Includes an underground cut and cover station with island platform, 2 additional side platforms, above ground infrastructure, overstation residential tower and 2 station-adjacent developments	Consortium comprising Gamuda Engineering, Gamuda and MTR	TBA	TBA	TBA	Mar-26	Dec-26	Dec-29	Under procurement stage. Gamuda-led consortium is competing against: 1) FCC and Ecove Consortium 2) John Holland and Freecity Consortium

9	EnergyCo	**New England Renewable Energy Zone (REZ) Transmission Project - Network Operator** - Transmission infrastructure to connect generation and storage projects in the New England REZ to the National Electricity Market at Bayswater Power Station	NewLeaf Energy consortium (Iberdrola, Capella Capital, Gamuda, Samsung C&T, Ferrovial, Genus Infrastructure)	TBA	AUD3.7b	TBA	2027	2027	2034	NewLeaf Energy is 1 of the 6 consortiums that submitted expressions of interest (EOI). 3 applicants to be shortlisted for RFP by end-2025. They are going up against: 1) Aura Networks (Plenary, Alupar, Webuild, FCC Construction) 2) Future Energy Networks (AusNet, Pacific Partnerships, GS, Hyundai, Ghella, CPB Contractors, UGL) 3) Powergrid Corporation of India 4) Rezult Networks (ACCIONA and COBRA) 5) Verta Energy (EDF Australia)
10	Queensland Department of Transport and Main Roads	**Wave 1 (formerly known as Direct Sunshine Coast Rail Line - Stage One)** - 19km dual-rail track line between Beerwah and Caloundra - Construction of Bells Creek and Caloundra Station.	Gamuda	TBA	AUD5.5b	TBA	TBA	Dec-26	Dec-32	Under procurement
11	Marinus Link	**Marinus Link Stage One - Balance of works package** - Construction of converter stations in Heybridge and Hazelwood, installation of equipment and the land cable civil works, which spans 90km across Gippsland	TasVic Greenlink (DT Infrastructure and Samsung C&T)	50%/50%	AUD1.0b	RM1.40b	Sep-25	2026	2030	TasVic Greenlink has been announced as the preferred contractor. Awaiting official contract award by end Sep-25
12	Gamuda, Downie Family, Alternate Path	**Cellars Hill Wind Farm** - Grid connected wind farm up to 350MW - Up to 56 turbines	Gamuda	TBA	AUD1.5b	TBA	TBA	2027	2030	-
13	Gamuda, Downie Family, Alternate Path	**Weasel Solar Farm** - Solar project with a potential capacity up to 250MW	Gamuda	TBA	AUD500m	TBA	TBA	2028	TBA	-

Source: Infrastructure Partnerships Australia, Gamuda, MBSBR

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

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2022A	2023A	2024A	2025F	2026F
Revenue	5,089.5	8,233.6	13,346.7	15,682.4	19,403.5
EBIT	685.3	922.8	1,147.3	1,176.2	1,843.3
PBT	1,008.2	1,067.6	1,097.4	1,251.5	1,820.3
Taxation	-168.9	-230.9	-155.1	-287.8	-400.5
PAT	806.2	860.1	912.1	993.6	1,469.8
Core PATAMI	805.8	860.8	907.3	993.6	1,469.8
EPS (sen)	14.2	15.1	16.0	17.5	25.8
PER (x)	32.0	30.7	24.4	22.4	21.0
DPS (sen)	6	25	8	10	10
Dividend yield (%)	1.3	5.4	1.7	2.2	2.2

Cash Flow (RM'm)	2022A	2023A	2024A	2025F	2026F
PBT	1,008.2	1,067.6	1,097.4	1,251.5	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	62.1	17.5	23.7
PBT growth	28.2	5.9	2.8	14.0	45.4
PATAMI growth	37.0	6.7	6.0	8.9	47.9
Core PATAMI growth	38.1	6.8	5.4	9.5	47.9

Profitability Ratios (%)	2022A	2023A	2024A	2025F	2026F
EBIT margin	13.5	11.2	9.1	8.6	9.3
PBT margin	19.8	13.0	8.2	8.0	9.9
PATAMI margin	15.8	10.4	6.8	6.3	7.6
Core PATAMI margin	15.8	10.5	6.8	6.3	7.6
ROA	4.4	3.6	3.4	3.3	5.2
ROE	7.9	7.9	7.9	6.5	9.5

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**

Liquidity Ratios (x)	2022A	2023A	2024A	2025F	2026F
Current ratio	3.01	2.54	2.25	4.37	4.17

Source: Bloomberg, MBSBR

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MBSB INVESTMENT BANK (formerly known MIDF 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