Corporate Update

WCT Holdings Berhad

(9679 | WCTHG MK) Main | Construction

3QFY25 Results Review

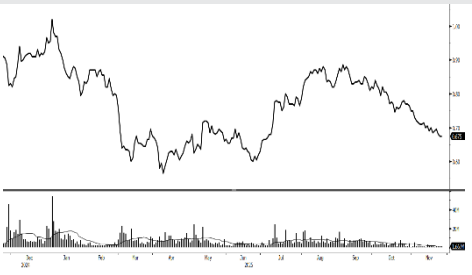
Below Expectations All Around

Maintain **BUY**

Revised Target Price **RM0.79**
(from RM0.93)

RETURN STATISTICS	
Price @ 25th Nov 2025 (RM)	0.68
Expected share price return (%)	+16.2
Expected dividend yield (%)	+0.0
Expected total return (%)	+16.2

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-12.9	-12.8
3months	-17.7	-19.2
12 months	-25.8	-26.2

INVESTMENT STATISTICS

FYE Dec	2025E	2026F	2027F
Revenue	1,558.9	1,636.9	1,718.7
Operating Profit	148.1	155.5	161.6
Profit Before Tax	132.5	140.8	146.1
Core Net Profit	53.0	55.7	60.2
Core EPS (sen)	3.7	3.9	4.2
DPS (sen)	0	0	0
Dividend Yield	-	-	-

KEY STATISTICS	
FBM KLCI	1,611.74
Issued shares (m)	1558.90
Estimated free float (%)	72.58
Market Capitalisation (RM'm)	1,052.26
52-wk price range	RM0.55 - RM1.03
3-mth average daily volume (m)	4.30
3-mth average daily value (RM'm)	3.51
Top Shareholders (%)	
Dominion Nexus Sdn Bhd	16.50
Amanah Saham Nasional Bhd	9.44
Lim Choon Siew	3.75

Maintain BUY. We are revising our earnings estimates for FY25E/FY26F/FY27F by -19.1%/-15.7%/-15.8% respectively to reflect weaker-than-expected earnings. Nevertheless, we maintain our **BUY** call on WCT with a revised **target price** of **RM0.79**, pegging its lower FY26F EPS of 3.93 sen to a PER of 20x, which is +1SD above its seven-year mean. We anticipate earnings contributions to strengthen in the coming quarters, supported by progressive recognition from its North-South Expressway additional lane contracts and ongoing works on Phase 1 and 2 of the Pavilion Damansara Heights development.

Below expectations. Despite WCT Holdings Bhd's (WCT's) revenue increasing by +10.3%yoy to RM482.6m in 3QFY25 which then contributed to its core net profit rebounding into the black to RM10.7m, its 9MFY25 core earnings came below expectations despite a +8.4%yoy growth to RM39.0m, making up 59.5% of ours and 67.3% of consensus' full-year estimates. The core net profit growth was mainly attributed from its profits coming out from a low base of -RM11.3m recorded during the same period of last year. WCT's revenue growth was supported by stronger contributions from the Engineering and Construction (EC) segment, which recorded a +37.8%yoy increase, alongside a notable +55.3% growth in the property development segment. While topline performance improved, there was margin compression within the EC segment which dropped to 1.0% which dragged its bottom line.

Engineering and construction. Despite segment revenue rising +5.3%yoy to RM736.7m in 9MFY25, operating profit declined sharply by -67.8%yoy to RM11.2m, primarily due to margin compression as several high-margin projects approached completion. Segment margins fell significantly from 4.1% in 9MFY24 to 1.0% in 9MFY25. Nevertheless, this segment remained the group's largest revenue contributor, accounting for 77.8% of cumulative period's revenue. We anticipate stronger progress billings in the coming quarters as newly secured projects ramp up.

Property development. This segment remained the group's key bottom-line contributor, delivering an operating profit of RM100.5m (>+100%yoy) on the back of stronger revenue of RM597.0m (+55.3%yoy) during the period, driven by higher sales, improved billings, and land disposals during the quarter. Unsold inventories stood at RM149.0m as at Sep-25, while total unbilled sales reached RM1.06b.

Property Investment and Management - The segment posted an operating profit of RM64.9m in 9MFY25 (-77.2%yoy) as revenue declined by -11.8%yoy to RM173.9m, primarily due to the absence of contributions from Paradigm Mall JB and BBT Mall following its injection into Paradigm REIT.

Analyst
MIDF Research
research@midf.com.my

Order Book and Outlook. The group's outstanding order book stood at RM2.32b as at Sep-25, providing strong earnings visibility through FY27. We expect a significant portion to be recognized by FY26, driven by the completion of Pavilion Damansara Heights Phase 1 and 2, alongside the recently secured North-South Expressway additional lane project worth RM359m. Year-to-date, the tender book exceeds RM11.0b, comprising RM10.0b in civil and infrastructure works and RM1.0b in building works. Despite limited external project wins in recent years, management has intensified efforts and allocated additional resources to secure new jobs both domestically and overseas.

WCT HOLDINGS BERHAD: 2QFY25 RESULTS SUMMARY

All in RM'm unless stated otherwise	Quarterly Results					Cumulative		
Income Statement	**3QFY25**	**2QFY25**	**3QFY24**	**QoQ**	**YoY**	**9MFY25**	**9MFY24**	**YoY**
Revenue	482.6	552.8	437.5	**-12.7%**	**10.3%**	1,507.5	1,281.2	**17.7%**
Cost of sales	(422.0)	(444.0)	(351.6)	**4.9%**	**-20.0%**	(1,242.8)	(1,029.7)	**-20.7%**
Gross profit	60.6	108.8	85.8	**-44.3%**	**-29.4%**	264.8	251.5	**5.3%**
Operating Expenses	(26.4)	(39.8)	139.2	**33.7%**	**-119.0%**	(88.1)	104.4	**-184.4%**
Operating Profit	34.2	69.0	225.1	**-50.5%**	**-84.8%**	176.6	355.8	**-50.4%**
Finance Costs	(28.3)	(44.3)	(39.0)	**36.2%**	**27.5%**	(118.4)	(113.2)	**-4.6%**
Shares of JV & Assoc.	22.2	4.1	14.3	**438.7%**	**55.5%**	32.1	43.0	**-25.5%**
Profit Before Tax	28.1	28.8	200.4	**-2.4%**	**-86.0%**	90.3	285.7	**-68.4%**
Tax	(3.4)	(12.1)	(5.0)	**71.9%**	**32.1%**	(23.3)	(21.0)	**-11.1%**
Minority Interest	(0.5)	(0.2)	(0.6)	**-144.2%**	**21.5%**	(1.4)	(2.7)	**47.1%**
Perps.	14.7	1.6	22.8	**834.0%**	**-35.6%**	30.6	46.8	**-34.7%**
PATAMI	10.5	15.3	173.2	**-31.1%**	**-93.9%**	37.8	220.6	**-82.9%**
Core Profit	10.7	16.1	(11.3)	**-33.5%**	**195.0%**	39.0	36.0	**8.4%**

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	1,727.3	1,834.0	1,558.9	1,636.9	1,718.7
Gross profit	45.7	307.9	193.3	204.6	213.1
Operating profit	(78.2)	381.9	148.1	155.5	161.6
Finance cost	(129.4)	(158.0)	(93.5)	(98.2)	(101.4)
Profit before tax	(177.8)	274.1	132.5	140.8	132.5
Tax	(31.6)	47.2	(2.5)	(2.7)	(2.8)
PATAMI	(254.1)	277.9	53.0	55.7	60.2
Core PATAMI	(254.1)	92.2	53.0	55.7	60.2
Balance Sheet (RM'm)	**2023A**	**2024A**	**2025E**	**2026F**	**2027F**
Fixed assets	396.2	385.8	337.8	346.2	354.9
Intangible assets	4,475.7	2,847.4	4,610.8	4,726.1	4,844.2
Non-current assets	**4,871.9**	**3,233.2**	**4,948.6**	**5,072.3**	**5,199.1**
Cash	414.7	567.4	336.6	345.0	353.6
Trade debtors	752.2	636.9	801.5	821.5	842.1
Current assets	**3,795.7**	**4,068.0**	**3,147.4**	**3,337.0**	**3,542.8**
Trade creditors	1,075.3	1,092.7	795.4	815.3	835.7
Short-term debt	1,635.5	2,730.5	1,456.0	1,601.6	1,761.8
Current liabilities	**3,016.0**	**4,101.5**	**2,251.4**	**2,416.9**	**2,597.4**
Long-term debt	1,457.8	847.1	1,363.5	1,431.7	1,503.3
Non-current liabilities	**1,964.7**	**1,205.0**	**1,990.5**	**2,058.7**	**2,130.3**
Share capital	3,212.8	3,337.1	3,212.8	3,212.8	3,212.8
Retained earnings	1,171.5	1,447.9	1,524.6	1,604.2	1,684.7
Equity	**3,686.9**	**3,777.5**	**3,854.1**	**3,933.8**	**4,014.3**

Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
PBT	**-177.8**	**274.1**	**132.5**	**140.8**	**146.1**
Operating cash flow	**134.0**	**85.1**	**273.0**	**279.8**	**286.8**
Capital expenditure	-51.6	-23.6	-52.8	-54.1	-55.5
Investing cash flow	**11.8**	**-34.3**	**-56.2**	**-57.5**	**-58.9**
Debt raised/(repaid)	218.1	176.6	-65.0	-65.0	-65.0
Dividends paid	-7.1	-1.5	-	-	-
Financing cash flow	**11.9**	**81.5**	**-239.4**	**-246.6**	**-254.0**
Net cash flow	**157.7**	**132.3**	**-22.6**	**-24.3**	**-26.0**
Beginning cash flow	**157.0**	**324.5**	**462.4**	**439.8**	**415.5**
Forex differences	9.8	5.5	-	-	-
Ending cash flow	**324.5**	**462.4**	**439.8**	**415.5**	**389.5**

Profitability Ratios (%)	2023A	2024A	2025E	2026F	2027F
Gross profit margin	2.6%	16.8%	12.4%	12.5%	12.4%
Operating profit margin	-4.5%	20.8%	9.5%	9.5%	9.4%
PBT margin	-10.3%	14.9%	8.5%	8.6%	8.5%
PAT margin	-14.7%	15.2%	3.4%	3.4%	3.5%
Core PAT margin	-14.7%	4.2%	3.4%	3.4%	3.5%

Source: Bloomberg, MBSBR

MBSB RESEARCH (formerly known as MIDF RESEARCH) is part of MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad)

(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report is prepared by MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad) (Company Registration No.: 197501002077 (23878-X)) and is for distribution only to the intended readers and under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is provided solely for informational purposes and does not constitute a Shariah advice nor constitute an investment recommendation or basis for any credit or other evaluation in any manner whatsoever.

The opinions and analyses contained in this report are based on information obtained or derived from sources that MBSB Investment Bank Berhad believes to be reliable. Any forward-looking statements in this report speak only as of the date of such statements. However, MBSB Investment Bank Berhad makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or reliability of such information, and it should not be relied upon as such.

While the information presented in this report may include references to Shariah -compliant and non-compliant securities or other financial instruments, this report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments or to promote or endorse any specific investment. Investors are strongly advised to conduct their own due diligence and to consult licensed Shariah or financial advisors before making any investment decisions. Any action taken based on this report is at the sole discretion and risk of the investor.

The analyses in this report are based on numerous assumptions, and different assumptions could yield different results. All opinions and estimates in this report are subject to change without notice.

The research analysts will initiate, update, and cease coverage solely at the discretion of MBSB Investment Bank Berhad.

The directors, employees, and representatives of MBSB Investment Bank Berhad and MBSB Berhad may have interests in any of the securities mentioned and may benefit from the information contained herein. Members of MBSB Berhad and their affiliates may provide services to any company or its affiliates whose securities are mentioned in this report.

This report shall not be reproduced, distributed, or published in any form or for any purpose without the prior written consent of MBSB Investment Bank Berhad.

MBSB INVESTMENT BANK (formerly known 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