Gamuda Berhad

(5398 | GAM MK) Main | Construction

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Corporate Update

Back-to-Back Wins Down Under

Maintain BUY. We are maintaining our **BUY** recommendation on Gamuda with an unchanged sum-of-the-parts (SOTP) derived **TP** of **RM6.35**. We are positive on the latest contract win, which is part of the next wave of the group's Australian projects. Gamuda remains our top pick for the construction sector, with an all-time high order book of RM45.99b 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.

Back-to-back wins. The early festive joy extends into its second consecutive day after Gamuda secured two more projects in Australia yesterday, adding RM8.03b into its order book. Gamuda Engineering Pty Ltd was awarded the SMW – Stations Package West (RM7.32b) while DT Infrastructure Pty Ltd (DTI) secured the balance of plant (BOP) contract for the Carmody's Hill Wind Farm (RM718.0m). Both are wholly owned units of Gamuda. Just a day earlier, DTI secured the balance of works (BOW) package for the first stage of the Marinus Link in Australia (RM1.35b).

SMW stations package. The AUD2.7b (RM7.32b) project is one of the highly anticipated wins for Gamuda in Australia. This is the group's single largest project win in Australia to date and the second project to be undertaken for SMW. The planning and detailed design are expected to commence in Jan-26, with major construction expected to begin in late CY26 or early CY27. Gamuda's maiden project was the Western Tunnelling Package (WTP) for SMW, which was awarded in Mar-22. The total size of WTP is AUD2.57b (RM7.7b), including variation orders. It is now approaching completion at 97% as at Oct-25. We believe more opportunities may be in store for Gamuda under the SMW, as it has been shortlisted for the Parramatta Station and Olympic Park Station packages, of which the results are expected in CY26.

Carmody's Hill wind farm. Located in the mid north region of South Australia, the AUD265.0m (RM718.0m) project was awarded by Georgetown Hills Renewable Energy Pty Ltd to DTI. The civil works to be undertaken include the construction of turbine foundations, internal access roads, drainage and erosion controls, crane hardstands, laydown areas and associated earthworks. The scope also covers trenching and installation of underground cable routes; site preparation works and logistics coordination to support turbine delivery and erection. Works are expected to begin in early CY26.

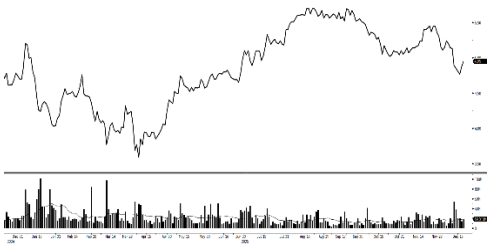
Order book at a new high. These two new projects bring Gamuda's outstanding order book to a new all time high of RM45.99b, surpassing its end-CY25 target of RM40b-RM45b. The next milestone is to achieve RM50b by end-CY26, with replenishment prospects coming from water, data centre (DC), rail, highway and renewable energy projects.

Maintain BUY

Unchanged Target Price **RM6.35**

RETURN STATISTICS	
Price @ 18th Dec 2025 (RM)	4.95
Expected share price return (%)	+28.3
Expected dividend yield (%)	+2.0
Expected total return (%)	+30.3

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-8.3	-9.6
3months	-10.5	-13.0
12 months	5.1	2.1

INVESTMENT STATISTICS

FYE Jul	2024A	2025A	2026F
Revenue	13,347	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	16.0	17.5	25.8
DPS	8	10	10
Dividend Yield	1.6%	2.0%	2.0%

KEY STATISTICS	
FBM KLCI	1,646.90
Issue shares (m)	5790.50
Estimated free float (%)	85.17
Market Capitalisation (RM'm)	29,213.28
52-wk price range	RM3.48 - RM5.8
3-mth average daily volume (m)	15.98
3-mth average daily value (RM'm)	83.45
Top Shareholders (%)	
Employees Provident Fund	18.29
Amanah Saham Nasional	4.08
Generasi Setia M Sdn Bhd	3.96

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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**

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	1,003.2	1,469.8
Core PATAMI	805.8	860.8	907.3	996.5	1,469.8
EPS (sen)	14.2	15.1	16.0	17.5	25.8
PER (x)	34.9	32.8	30.9	28.3	19.2
DPS (sen)	6	25	8	10	10
Dividend yield (%)	1.2	5.1	1.6	2.0	2.0

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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MBSB INVESTMENT BANK BERHAD (formerly known as MIDF AMANAH INVESTMENT BANK BERHAD): 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