Gamuda Berhad

(5398 | GAM MK) Main | Construction

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Corporate Update

Strengthening RE Pipeline in Australia

Maintain BUY. We are maintaining our BUY recommendation on Gamuda with an unchanged **target price of RM5.60**. Gamuda remains our top pick for the construction sector, with an all-time high order book of RM52.2b 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.

Expands RE portfolio with RM600m solar project. Gamuda, via its wholly owned Australian subsidiary DT Infrastructure (DTI), has secured a RM600m contract for the 75MW Jinbi Solar Farm in the Pilbara region, Western Australia. The project, awarded by Yindjibarndi Energy Corp (YEC), involves the development of a utility-scale solar facility comprising 160,000 panels, with completion targeted by early 2028. Structured as a fixed-price EPC contract, the job was secured through an early contractor involvement (ECI) phase, allowing DTI to optimise design and lock in pricing based on prevailing cost conditions.

Strengthens presence in Australia's RE space. The Jinbi Solar Farm forms part of YEC's broader renewable energy developments in the Pilbara region, supporting over 1.5GW of wind, solar and battery storage capacity. Once operational, the project will contribute renewable energy to Rio Tinto's regional power network. This win further reinforces Gamuda's positioning in Australia's energy transition, complementing its existing portfolio, including Marinus Link, Goulburn River Solar Farm and Boulder Creek Wind Farm.

Orderbook continues to trend higher. Following this award, Gamuda's outstanding orderbook has risen to a record RM52.2b, with year-to-date FY26 job wins reaching RM21.8b. The group remains on track to meet its RM50–55b orderbook target by end-CY26, although it will still need to secure an additional RM8b–RM13b of new contracts over the coming months to sustain this level.

Positive outlook supported by RE pipeline. We view this development positively as it further diversifies Gamuda's earnings base into renewable energy, particularly in Australia where policy support remains strong. Additional upside could stem from potential wins such as the AUD3.7b New England Renewable Energy Zone transmission project, alongside domestic catalysts including the Northern Perak water supply scheme.

Unchanged earnings and TP. The new job win is yet to meaningfully contribute to earnings in the near-term; therefore, we keep our earnings estimates unchanged. We maintain **BUY** with an **unchanged TP of RM5.60** which implies 23x FY27F PE.

Maintain **BUY**

Unchanged Target Price **RM5.60**

RETURN STATISTICS	
Price @ 11th May 2026 (RM)	4.51
Expected share price return (%)	+24.2
Expected dividend yield (%)	+2.4
Expected total return (%)	+26.6

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	12.2	8.7
3 months	20.9	9.5
12 months	0.2	-11.2

INVESTMENT STATISTICS

FYE Jul	2026E	2027F	2028F
Revenue	17,887	21,822	28,368
Operating Profit	1,520	1,855	2,610
Profit Before Tax	1,267	1,793	2,656
Core PATAMI	1,028	1,418	2,095
Core EPS	17.4	24.0	35.5
DPS	10	10	10
Dividend Yield	2.4%	2.4%	2.4%

KEY STATISTICS	
FBM KLCI	1,745.31
Issued shares (m)	5790.50
Estimated free float (%)	85.09
Market Capitalisation (RM'm)	26,869.46
52-wk price range	RM3.7 - RM5.8
3-mth average daily volume (m)	18.54
3-mth average daily value (RM'm)	76.86
Top Shareholders (%)	
Employees Provident Fund Board	20.55
GENERASI SETIA M SDN BHD	3.90
Vanguard Group Inc/The	3.84

Analyst

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Sum-of-the-Parts Valuation

Segments	Stake	Methodology	Valuation (RM'm)
Construction	100%	23x FY27F PER	25,218.86
Property	50%-100%	30% discount to RNAV	8,539.04
Investment properties	100%	Fair value	948.78
Concessions:			
Gamuda Water	80%	DCF	493.56
Ulu Padas Hydro Dam	45%	DCF	658.05
Northern Perak Water Supply Scheme	50%	DCF	704.68
Net cash/debt		FY27F	(2,176.10)
Total Sum of the Parts			34,386.87
Diluted number of shares ('m)			6,137.22
Target price (RM)		TP	**5.60**

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026E	2027F	2028F
Revenue	13,346.7	15,970.2	17,886.6	21,821.7	28,368.2
EBIT	945.2	1,337.2	1,520.4	1,854.8	2,609.9
PBT	1,097.4	1,303.8	1,266.8	1,792.6	2,655.7
Taxation	(155.1)	(256.6)	(278.7)	(394.4)	(610.8)
PAT	912.1	1,003.2	1,028.1	1,418.2	2,094.9
Core PATAMI	907.3	996.5	1,028.1	1,418.2	2,094.9
EPS (sen)	14.8	16.9	17.4	24.0	35.5
PER (x)	28.3	22.6	25.1	18.2	12.3
DPS (sen)	8	10	10	10	10
Dividend yield (%)	1.9	2.4	2.3	2.3	2.3

Cash Flow (RM'm)	2024A	2025A	2026E	2027F	2028F
PBT	1,097.1	1,303.8	1,442.5	1,836.0	2,615.9
Depreciation	361.3	351.3	353.8	256.6	272.3
Change in NWC	(852.6)	1,357.5	1,126.7	655.9	694.5
Operating cash flow	**(2,113.4)**	**(1,264.8)**	**(1,493.1)**	**(1,284.9)**	**(2,065.1)**
Capital expenditure	(1,677.3)	(944.6)	(200.0)	(2,932.0)	(3,851.9)
Investing cash flow	**(929.1)**	**(1,254.9)**	**250.0**	**(404.3)**	**(452.3)**
Debt raised/(repaid)	545.9	1,880.0	(272.1)	2,825.8	3,978.3
Dividends paid	(74.1)	(153.8)	(153.8)	(212.3)	(194.2)
Financing cash flow	**577.2**	**1,837.7**	**(425.9)**	**2,077.7**	**2,608.9**
Net cash flow	**2,597.4**	**3,260.3**	**(1,669.0)**	**1,464.4**	**2,305.5**
Beginning cash flow	**2,830.6**	**2,597.4**	**3,260.3**	**1,591.3**	**3,754.1**
Ending cash flow	**2,597.4**	**3,260.3**	**1,591.3**	**3,754.1**	**4,207.2**

Growth (%)	2024A	2025A	2026E	2027F	2028F
Revenue growth	62.1	18.3	12.0	22.0	30.0
PBT growth	2.8	18.8	-2.8	41.5	48.2
PATAMI growth	6.0	9.8	3.2	37.9	47.7
Core PATAMI growth	5.4	9.8	3.2	37.9	47.7

Profitability Ratios (%)	2024A	2025A	2026E	2027F	2028F
EBIT margin	7.0	8.4	8.5	8.5	9.2
PBT margin	8.1	8.2	7.1	8.2	9.4
PATAMI margin	6.7	6.2	5.7	6.5	7.4
Core PATAMI margin	6.7	6.2	5.7	6.5	7.4
ROA	3.2	3.2	4.4	5.6	3.2
ROE	8.2	6.6	13.7	17.9	8.2

Balance Sheet (RM'm)	2024A	2025A	2026E	2027F	2028F
PPE	1,620.3	1,561.3	1,608.1	1,905.7	2,078.3
ROU assets	3,830.0	4,334.7	4,334.7	4,463.7	4,701.9
Non-current assets	**9,766.1**	**11,313.7**	**11,360.5**	**11,545.6**	**12,367.4**
Trade receivables	2,700.3	3,351.8	3,020.1	3,250.8	3,337.1
Cash & bank balances	3,118.6	3,991.6	5,132.8	4,387.0	4,900.1
Current assets	**16,891.7**	**19,809.2**	**20,618.7**	**22,273.8**	**24,839.0**
Long-term debt	4,939.5	6,694.8	5,383.3	7,621.8	8,837.9
Non-current liabilities	**1,242.0**	**2,493.4**	**1,601.8**	**1,423.2**	**1,402.0**
Short-term debt	7,894.8	10,705.0	8,501.8	11,522.0	12,967.6
Trade payables	6,564.6	7,636.8	7,254.9	5,916.5	6,785.7
Current liabilities	**7,240.9**	**8,264.4**	**7,882.5**	**9,290.6**	**10,414.5**
Share capital	4,508.2	5,159.8	5,159.8	5,618.4	5,973.7
Reserves	6,856.9	6,840.5	8,264.2	8,308.6	8,757.4
Equity	**11,522.1**	**12,153.6**	**15,595.0**	**10,984.1**	**11,718.3**

Liquidity Ratios (x)	2024A	2025A	2026E	2027F	2028F
Current ratio	2.4	2.6	2.4	2.4	2.4

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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