

## Research Team

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<b>Recommendation:</b>	<b>BUY</b>
Current Price:	RM 1.61
Previous Target Price:	RM 1.92
Target Price:	↔ RM 1.92
Capital Upside/Downside:	19.3%
Dividend Yield (%):	3.7%
<b>Total Upside/Downside:</b>	<b>23.0%</b>

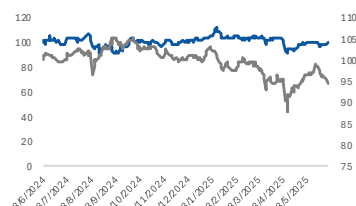
## Stock information

Board	MAIN
Sector	Property
Bursa / Bloomberg Code	5293 / AMEMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	639.1
Market Cap (RM' m)	1,028.9
52-Week Price Range (RM)	1.84- 1.46
Beta (x)	0.7
Free float (%)	38.4
3M Average Volume (m)	0.3
3M Average Value (RM' m)	0.5

## Top 3 Shareholders

	(%)
Lim Yook Kim	17.8
Lee Chai	17.8
Kang Ah Chee	17.5

## Share Price Performance



	1M	3M	12M
Absolute (%)	0.0	-4.2	-5.3
Relative (%)	2.3	-0.2	0.3

Earnings Summary	FY25	FY26F	FY27F
Revenue (RM' m)	608.6	731.2	772.4
PATAMI (RM' m)	92.1	88.2	91.1
CNP (RM' m)	73.9	88.2	91.1
EPS - core (sen)	11.5	13.8	14.2
P/E(x)	14.0	11.7	11.3

## AME Elite Consortium Bhd

## Within Expectations

- AME's 4QFY25 CNP came in at RM18.4m (+37.7% yoy, -0.2% qoq), bringing 12MFY25 CNP to RM73.9m (+4.4% yoy). The results came within our expectations at 99.0% of our full-year forecast, but came in below consensus expectations, accounting for 80.6% of consensus estimates.
- The Group declared an interim dividend of 3.0 sen for 4QFY25 (4QFY24: 4.0 sen), bringing FY25 DPS to 6.0 sen (FY24: 6.0 sen).
- Backed by RM635.5m unbilled sales, this is expected to sustain earnings for the property development segment until FY27, alongside a construction order book of RM114.2m and contributions from the newly launched Northern Techvalley @ BKE in Penang.
- Re-iterate our BUY recommendation with an unchanged TP of RM1.92, based on SOP valuations and ascribed with three-star ESG rating.

**Results within expectations.** Excluding the fair value gain on investment properties (-RM18.2m), 4QFY25 core net profit (CNP) came in at RM18.4m, bringing the 12MFY25 total to RM73.9m (+4.4% yoy). The results came within our expectations but below consensus estimates, accounting for 99.0% of our full-year forecast of RM74.6m and 80.6% of consensus forecast of RM91.7m respectively.

**Dividend declared.** The Group declared an interim dividend of 3.0 sen for 4QFY25 (4QFY24: 4.0 sen), bringing the FY25 DPS to 6.0 sen (FY24: 6.0 sen).

**YoY.** 4QFY25 CNP advanced 37.7% yoy to RM18.4m, primarily driven by a 36.3% yoy increase in revenue. The strong performance was supported by accelerated progress in ongoing construction projects, alongside increased contributions from additional leased factory units and higher rental income from workers' dormitories.

**QoQ.** CNP declined marginally by 0.2% qoq to RM18.4m, mainly due to a 29.2% drop in revenue. The decline was further weighed down by fair value gain on investment properties amounting to RM18.2m.

**YTD.** 12MFY25 CNP increased 4.4% yoy to RM73.9m, despite a 15.1% decline in revenue. The decrease in revenue was mainly attributable to the lower stages of work completed in the property development segment and delayed income recognition. The higher CNP was supported by a smaller deduction from fair value gain on investment properties in FY25.

**Outlook.** The Group recorded RM210.9m in new property sales in 4QFY25. Moving forward, total unbilled sales of RM635.5m, (up from RM480.0m as at end-3QFY25) will provide earnings visibility for the Property Development segment until FY27. Meanwhile, the construction segment's outstanding orderbook stood at RM114.2m (compared to RM164.7m in 3QFY25, due to higher project completion during the quarter).

Johor's industrial property market is expected to remain robust, bolstered by key infrastructure developments such as the Johor Bahru to Singapore Rapid Transit System (RTS), the potential revival of the Kuala Lumpur to Singapore High-Speed Rail (HSR), and the Johor Singapore Special Economic Zone (JS SEZ), all of which are poised to benefit AME as a Johor-based developer. Supporting its long-term growth ambitions, AME recently launched its first venture outside Johor, Northern TechValley @ BKE in Penang. The project is being developed under Suling Hill Development Sdn Bhd, a joint venture between AME and Majestic Gen. The 176-ac RM1.3bn integrated industrial park, officially launched in 3QFY25 and expected to complete by 2029, has secured RM55.9m in sales and RM38.4m in bookings as of 4QFY25.

**Earnings Revision.** Maintained.

**Valuation.** We maintain our **BUY** recommendation with an unchanged TP of **RM1.92** based on SOP valuations and ascribed with three-star ESG rating.

**Risks.** Policy risks, labour shortages, limited availability of suitable industrial land, and escalation in construction cost.

# Results Note

Tuesday, 03 Jun, 2025

## Results Comparison

FYE Mar (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)	Comments
Revenue	115.6	84.8	36.3	163.4	(29.2)	608.6	716.9	(15.1)	
EBITDA	60.6	45.1	34.6	30.6	98.3	158.5	167.4	(5.3)	
Adjusted EBIT	58.8	43.3	35.7	28.9	103.2	151.7	161.0	(5.8)	
Pre-tax profit	59.6	43.3	37.7	30.4	96.0	153.0	158.2	(3.3)	
Net profit	36.5	26.1	40.1	18.4	98.5	92.1	93.1	(1.1)	
Core net profit	18.4	13.3	37.7	18.4	(0.2)	73.9	70.8	4.4	
Core EPS (sen)	2.9	2.1	37.7	2.9	(0.2)	11.5	11.0	4.4	
EBITDA margin (%)	52.4	53.1		18.7		26.0	23.4		
Adjusted EBIT margin (%)	50.8	51.1		17.7		21.9	19.3		
PBT margin (%)	51.6	51.1		18.6		25.1	22.1		
Core net profit margin (%)	15.9	15.7		11.3		12.1	9.9		

Source: Company, Apex Securities

## Segmental Breakdown

FYE Mar (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)	Comments
<b>Revenue</b>									
Construction	70.6	39.4	79.3	91.1	(22.5)	321.5	281.9	14.0	
Property development	51.7	41.9	23.5	54.9	(5.9)	240.4	422.5	(43.1)	
Engineering	17.5	17.1	1.9	29.5	(40.8)	128.4	140.6	(8.7)	
Investment and management services	25.7	23.7	8.4	24.9	2.9	98.0	93.2	5.2	
Elimination	(49.7)	(37.2)	33.7	(37.1)	34.0	(179.7)	(221.3)	(18.8)	
<b>Total</b>	<b>115.6</b>	<b>84.8</b>	<b>36.3</b>	<b>163.4</b>	<b>(29.2)</b>	<b>608.6</b>	<b>716.9</b>	<b>(15.1)</b>	
<b>Adjusted EBIT *</b>									
Construction	5.0	(0.4)	nm	2.5	95.1	14.8	3.1	384.5	
Property development	15.0	6.3	138.2	8.4	77.7	47.3	66.3	(28.7)	
Engineering	1.1	1.7	(36.1)	2.9	(64.1)	8.8	12.6	(30.1)	
Investment and management services	20.5	20.5	0.1	12.9	59.1	58.7	60.3	(2.8)	
Elimination	(0.9)	2.5	nm	2.1	nm	3.9	(3.7)	nm	
<b>Total</b>	<b>40.6</b>	<b>30.6</b>	<b>32.8</b>	<b>28.9</b>	<b>40.4</b>	<b>133.5</b>	<b>138.7</b>	<b>(3.7)</b>	
<b>Adjusted EBIT margin (%) *</b>			%-pts		%-pts			%-pts	
Construction	7.0%	-0.9%	7.9%	2.8%	4.2%	4.6%	1.1%	3.5%	
Property development	28.9%	15.0%	13.9%	15.3%	13.6%	19.7%	15.7%	4.0%	
Engineering	6.0%	9.6%	-3.6%	10.0%	-3.9%	6.9%	9.0%	-2.1%	
Investment and management services	80.1%	86.7%	-6.7%	51.8%	28.3%	59.9%	64.8%	-4.9%	
Elimination	1.8%	-6.7%	8.5%	-5.7%	7.5%	-2.2%	1.6%	-3.8%	
<b>Aggregate Total</b>	<b>35.1%</b>	<b>36.1%</b>	<b>-0.9%</b>	<b>17.7%</b>	<b>17.4%</b>	<b>21.9%</b>	<b>19.3%</b>	<b>2.6%</b>	

\* EBIT has been adjusted to exclude fair value gain on investment properties.

Source: Company, Apex Securities

# Results Note

Tuesday, 03 Jun, 2025

## Financial Highlights

### Income Statement

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
<b>Revenue</b>	<b>575.9</b>	<b>716.9</b>	<b>608.6</b>	<b>731.2</b>	<b>772.4</b>
<b>Gross Profit</b>	<b>116.8</b>	<b>172.2</b>	<b>176.5</b>	<b>175.5</b>	<b>185.4</b>
<b>EBITDA</b>	<b>189.3</b>	<b>167.4</b>	<b>158.5</b>	<b>157.1</b>	<b>164.7</b>
Depreciation & Amortisation	-6.0	-6.4	-6.8	-7.8	-7.7
<b>EBIT</b>	<b>183.3</b>	<b>161.0</b>	<b>151.7</b>	<b>149.3</b>	<b>157.0</b>
Net Finance Income/(Cost)	-13.5	-5.5	3.3	-3.5	-4.4
Associates & JV	3.2	2.7	-2.0	1.0	1.1
<b>Pre-tax Profit</b>	<b>172.9</b>	<b>158.2</b>	<b>153.0</b>	<b>146.8</b>	<b>153.6</b>
Tax	-30.9	-32.2	-30.3	-29.4	-32.3
<b>Profit After Tax</b>	<b>142.0</b>	<b>126.0</b>	<b>122.6</b>	<b>117.4</b>	<b>121.3</b>
Minority Interest	40.5	32.9	30.6	29.2	30.2
<b>Net Profit</b>	<b>101.6</b>	<b>93.1</b>	<b>92.1</b>	<b>88.2</b>	<b>91.1</b>
Exceptionals	18.0	22.3	18.2	0.0	0.0
<b>Core Net Profit</b>	<b>83.5</b>	<b>70.8</b>	<b>73.9</b>	<b>88.2</b>	<b>91.1</b>

### Key Ratios

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
EPS (sen)	13.0	11.0	11.5	13.8	14.2
P/E (x)	12.4	14.6	14.0	11.7	11.3
P/B (x)	0.9	0.9	0.8	0.8	0.7
EVEBITDA (x)	7.8	8.7	8.4	9.4	9.3
DPS (sen)	4.0	6.0	6.0	2.8	2.8
Dividend Yield (%)	2.5%	3.7%	3.7%	1.7%	1.8%
EBITDA margin (%)	32.9%	23.4%	26.0%	21.5%	21.3%
EBIT margin (%)	31.8%	22.5%	24.9%	20.4%	20.3%
PBT margin (%)	30.0%	22.1%	25.1%	20.1%	19.9%
PAT margin (%)	24.7%	17.6%	20.2%	16.1%	15.7%
NP margin (%)	17.6%	13.0%	15.1%	12.1%	11.8%
CNP margin (%)	14.5%	9.9%	12.1%	12.1%	11.8%
ROE (%)	7.5%	5.9%	5.9%	6.6%	6.3%
ROA (%)	4.6%	4.0%	3.8%	4.4%	4.4%
Gearing (%)	16.4%	14.7%	27.9%	23.1%	18.8%
Net gearing (%)	Net Cash	Net Cash	2.5%	Net Cash	Net Cash

### Valuations

Valuation methodology	
Property Development	866.8 20% discount to RNAV
Construction	56.2 7x P/E
Engineering	35.9 6x P/E
Property Investment & Management	241.0 7x P/E
AME REIT (51.2% equity stake)	296.2
<b>SOP Value</b>	<b>1496.1</b>
No. of shares	783.0
<b>Fair Value (RM)</b>	<b>1.92</b>

Source: Company, Apex Securities

### Balance Sheet

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
Cash	326.9	279.7	316.1	408.7	396.5
Receivables	111.4	142.8	99.8	128.6	112.7
Inventories	534.1	436.6	511.1	416.8	523.5
Other current assets	112.7	101.6	64.0	101.5	86.1
<b>Total Current Assets</b>	<b>1085.1</b>	<b>960.7</b>	<b>991.0</b>	<b>1055.6</b>	<b>1118.7</b>
Fixed Assets	710.5	766.7	864.6	861.7	860.0
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	32.2	34.6	67.8	68.8	69.9
<b>Total Non-Current Assets</b>	<b>742.7</b>	<b>801.3</b>	<b>932.4</b>	<b>930.5</b>	<b>929.9</b>
Short-term debt	119.2	137.7	175.3	157.0	137.7
Payables	229.9	275.9	226.3	214.4	208.9
Other current liabilities	54.9	50.7	72.8	72.8	72.8
<b>Total Current Liabilities</b>	<b>404.0</b>	<b>464.3</b>	<b>474.4</b>	<b>444.1</b>	<b>419.3</b>
Long-term debt	64.7	37.0	172.1	153.8	134.5
Other non-current liabilities	238.3	68.2	32.7	44.3	47.8
<b>Total Non-Current Liabilities</b>	<b>303.0</b>	<b>105.2</b>	<b>204.8</b>	<b>198.1</b>	<b>182.3</b>
Shareholder's equity	811.0	873.9	920.7	991.3	1064.2
Minority interest	309.8	318.5	323.4	352.7	382.9
<b>Total Equity</b>	<b>1120.8</b>	<b>1192.4</b>	<b>1244.1</b>	<b>1343.9</b>	<b>1447.0</b>

### Cash Flow

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
<b>Pre-tax profit</b>	<b>172.9</b>	<b>158.2</b>	<b>153.0</b>	<b>146.8</b>	<b>153.6</b>
Depreciation & amortisation	6.0	6.4	6.8	7.8	7.7
Changes in working capital	-32.1	-62.3	-148.8	34.6	-77.3
Others	-140.6	-64.4	-71.0	-30.3	-33.3
<b>Operating cash flow</b>	<b>6.2</b>	<b>37.9</b>	<b>-60.0</b>	<b>158.9</b>	<b>50.6</b>
Capex	-17.0	-2.4	-2.8	-5.0	-6.0
Others	-2.0	-0.8	-10.2	0.0	0.0
<b>Investing cash flow</b>	<b>-19.0</b>	<b>-3.1</b>	<b>-13.0</b>	<b>-5.0</b>	<b>-6.0</b>
Dividends paid	-22.4	-32.0	-44.7	-17.6	-18.2
Others	171.8	-42.3	159.9	-36.6	-38.6
<b>Financing cash flow</b>	<b>149.4</b>	<b>-74.2</b>	<b>115.2</b>	<b>-54.2</b>	<b>-56.8</b>
<b>Net cash flow</b>	<b>136.6</b>	<b>-39.4</b>	<b>42.2</b>	<b>99.7</b>	<b>-12.2</b>
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	169.7	306.3	266.9	309.0	408.7
<b>Ending cash</b>	<b>306.3</b>	<b>266.9</b>	<b>309.0</b>	<b>408.7</b>	<b>396.5</b>

# Results Note

Tuesday, 03 Jun, 2025

## ESG Matrix Framework:

### Environment

Parameters	Rating	Comments
Climate	★★★	Scope 2 emissions stood at 74,385.78 tCO <sub>2</sub> eq in FY24
Waste & Effluent	★★★	Recycled 613.14 tonnes of scrap metal from construction site.
Energy	★★★	Solar panels installed at AME's headquarters generated 316,659.18 kWh, equivalent to approximately RM145,728.20 in electricity cost savings
Water	★★★	Water consumption rose 13.8% yoy to 107,388.57m <sup>3</sup> in FY24
Compliance	★★★	In compliance with local and international environmental regulations

### Social

Diversity	★★★	Employees breakdown by gender; Male (78%), Female (22%)
Human Rights	★★★	Adheres to Malaysia's Employment Act 1955
Occupational Safety and Health	★★★★	1,886 hours of OHSE-related training including risk and hazard identification. Achieved Zero (0) fatalities across all divisions
Labour Practices	★★★	Meet the requirements of the Department of Labour and Responsible Business Alliance ("RBA").

### Governance

CSR Strategy	★★★	Donated to Social Hero Foundation (SHF) and RM110,000 to SJK (C) Johor Jaya, SRJK (C) Saleng, SJK (C) Pei Cheng and Kluang Chong Hwa High School.
Management	★★	22.22% women representation at the Board level
Stakeholders	★★★	Regular engagements apart from 4x analyst briefings per annum, 1x AGM per annum

Overall ESG Scoring: ★★★

## Recommendation Framework:

**BUY:** Total returns\* are expected to exceed 10% within the next 12 months.

**HOLD:** Total returns\* are expected to be within +10% to -10% within the next 12 months.

**SELL:** Total returns\* are expected to be below -10% within the next 12 months.

**TRADING BUY:** Total returns\* are expected to exceed 10% within the next 3 months.

**TRADING SELL:** Total returns\* are expected to be below -10% within the next 3 months.

\*Capital gain + dividend yield

## Sector Recommendations:

**OVERWEIGHT:** The industry defined by the analyst is expected to exceed 10% within the next 12 months.

**NEUTRAL:** The industry defined by the analyst is expected to be within +10% to -10% within the next 12 months.

**UNDERWEIGHT:** The industry defined by the analyst, is expected to be below -10% within the next 12 months.

## ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

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As of **Tuesday, 03 Jun, 2025**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.