

## Team Coverage

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<b>Recommendation:</b>	<b>BUY</b>
Current Price:	RM0.37
Previous Target Price:	N/A
Target Price:	RM0.58
Capital Upside/Downside:	58.9%
Dividend Yield (%):	7.6%
<b>Total Upside/Downside</b>	<b>66.5%</b>

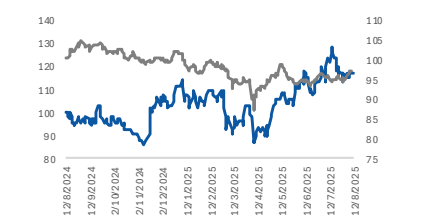
## Stock Information

Board	MAIN
Sector	Construction
Bursa / Bloomberg Code	0198 / GDB MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	937.5
Market Cap (RM' m)	342.2
52-Week Price Range (RM)	0.4-0.265
Beta (x)	1.4
Free float (%)	23.2
3M Average Volume (m)	1.6
3M Average Value (RM' m)	0.6

## Top 3 Shareholders

	(%)
Chc Holdings Sdn Bhd	48.9
Lo Tzone Leong	21.1
Khing Kong Goon	4.4

## Share Price Performance



	1M	3M	12M
Absolute (%)	-5.2	9.0	12.3
Relative (%)	-6.8	7.8	15.4

## Earnings Summary

FYE Dec	FY24	FY25F	FY26F
Revenue (RM'm)	258.2	792.2	723.3
PATAMI (RM'm)	26.8	86.9	67.3
CNP (RM'm)	36.7	86.9	67.3
EPS - core (sen)	3.9	9.3	7.2
P/E(x)	9.5	4.0	5.2

Source: Company, Apex Securities

## GDB Holdings Bhd

## Deep in Warehouses, Wide in Potential

- GDB Holdings Bhd (GDB) is a construction service provider with a strong track record of delivering projects ahead of schedule for prominent developers like Perdana ParkCity, Sime Darby Property, and Hap Seng Land.
- FY25 is poised to be a breakout year for GDB, with all three major projects under its RM1.2bn outstanding orderbook entering their peak revenue recognition phases.
- Core earnings are projected to grow to RM86.9m/RM67.3m in FY25F/FY26F, primarily driven by (i) three major projects in its RM1.2bn orderbook entering peak revenue recognition phases, (ii) a sizeable tenderbook which is expected to reach RM5bn by year-end, and (iii) long-term expansion plans into infrastructure construction services.
- We initiate coverage on GDB with a BUY recommendation and TP of RM0.58, by ascribing a P/E multiple of 8.0x to its FY26F EPS of 7.2 sen, along with three-star ESG rating.

## Key Investment Highlights

**Breakout Year in FY25.** FY25 is poised to be a breakout year for GDB, with all three major projects under its RM1.2bn outstanding orderbook—Metrohub 4 in Klang, Logistics Hub Plot B in Shah Alam, and KL International Hospital in Bukit Jalil—entering their peak revenue recognition phases. We project FY25F revenue to reach c.RM800m, with profitability set to further benefit from the catch-up of previously understated MCO-period earnings. While the core net margin of c.14% in FY24 is moderately inflated, it is projected to normalise to c.9% by FY26F, in line with pre-COVID levels. With a sizeable tenderbook expected to reach RM5bn by end-2025 and a low FY25F P/E of just 4.0x (vs 7.7x TTM as at 11 Aug 2025), GDB offers strong earnings visibility and compelling valuation upside over the next two years.

**Emerging Warehouse Specialist.** GDB is increasingly carving out a niche in warehouse construction, with two of its three ongoing projects being warehouse related: Logistics Hub Plot B in Shah Alam and Metrohub 4 Logistic Hub in Klang. Warehouse projects account for 44.7% of its RM2.7bn tenderbook, and the Group plans to maintain a similar ratio in an additional RM2bn of bids to be submitted by end-2025. Of this, warehouse tenders could exceed RM2bn, potentially lifting the total tenderbook to c.RM5bn. While margins are broadly comparable with residential and mixed-use projects, GDB favours warehouses for their simpler design, faster turnaround, and lower execution risk. This focus strengthens its position to tap into rising demand from Malaysia's logistics and e-commerce sector.

**Leadership That Delivers, Track Record That Proves It.** GDB is led by a senior management team with over 40 years of experience in the construction industry. Their hands-on involvement in both planning and site execution ensures tight control over timelines, costs, and quality. Together with the use of technologies such as Building Information Modelling (BIM) and the Industrialised Building System (IBS), these strengths have enabled the early completion of most of its projects — including One Central Park (107 days ahead), Westside III (61 days ahead), Metrohub 1 Logistics Hub (31 days ahead), Etiqa Office Tower (18 days ahead), and Menara Hap Seng 3 (7 days ahead) — reinforcing the Group's reputation as a reliable construction player.

**Valuation and Recommendation.** We initiate coverage on GDB with a **BUY** recommendation and a TP of **RM0.58**, based on an assigned 8.0x P/E multiple to its FY26F EPS of 7.2 sen, alongside a three-star ESG rating. The assigned P/E multiple implies a 29% discount to the weighted average forward P/E multiple of peers at 11.3x, and is 1.1 SD below GDB's 5-year mean P/E of 16.1x.

Building on this, we favour GDB for its strong track record of delivering high-quality projects ahead of schedule to reputable clients, niche expertise in warehouse construction, and orderbook growth potential supported by a tender pipeline expected to reach RM5bn by year-end. Its investment case is further enhanced by a robust balance sheet with a net cash of RM81.1m (c.24% of market cap), undemanding 5.2x FY26F P/E, and attractive dividend yields of >5% for FY25F-FY26F.

## Company Background

GDB began operations in 2013 as a private limited company under the name CHC Synergy Venture Sdn Bhd. Under the leadership of its founding directors, the Group established a strong presence in the construction sector, with a proven track record of delivering projects ahead of schedule for reputable developers such as Perdana ParkCity Sdn Bhd, Sime Darby Property, and Hap Seng Land. In 2016, the Group was rebranded as GDB Holdings Sdn Bhd and subsequently converted into a public limited company in 2017, adopting its current name, GDB Holdings Bhd.

## Business Overview

**Business Model.** GDB is primarily involved in the provision of construction services, focusing on high-rise residential, commercial, and mixed-use developments as both main contractor and main works contractor. It also has in-house capabilities in geotechnical and foundation engineering, supporting comprehensive project execution. From daily site coordination to timely completion, GDB manages the full construction process while relying on subcontractors for specialised works such as M&E, plumbing, waterproofing, and painting.

The Group derives its revenue from construction contracts and recognises it progressively based on the percentage-of-completion (POC) method. For all projects, client payments are based on certified monthly progress billings, typically settled within 30 to 60 days. Subcontractor and supplier terms are structured to mirror this cycle, enabling balanced cash flows. Most projects are self-financing, and the Group maintains adequate internally generated funds to manage any temporary timing mismatches to ensure timely project delivery.

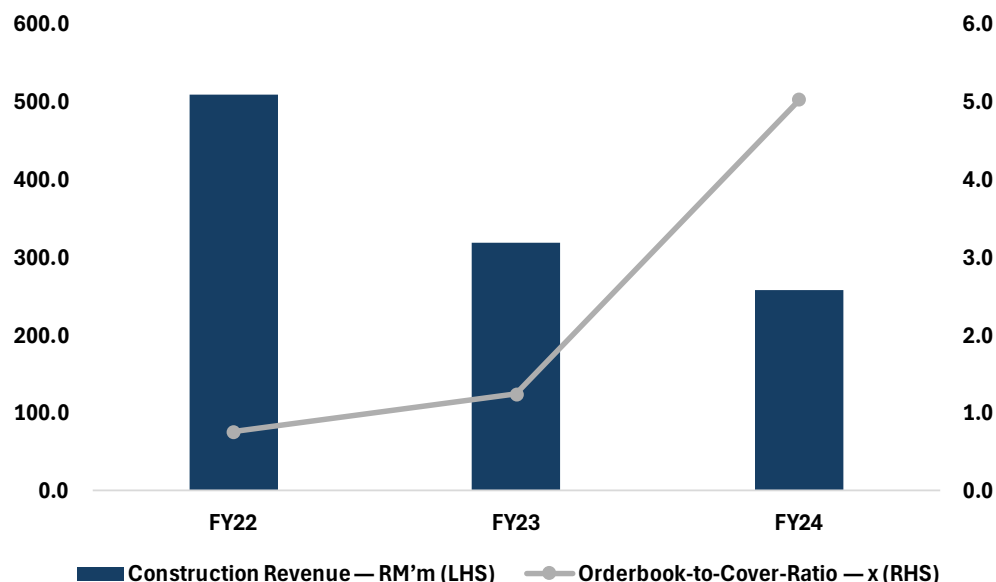
GDB is a registered Grade G7 contractor with the Construction Industry Development Board (CIDB), qualifying it to tender for projects of unlimited value. It holds the Sijil Perolehan Kerja Kerajaan (SPKK), allowing participation in government contracts exceeding RM10m. Reinforcing its operational credibility, the Group is certified in ISO 9001:2015 (Quality), ISO 14001:2015 (Environmental Management Systems), and ISO 45001:2018 (Occupational Health & Safety). The Group also consistently performs well in national construction quality benchmarks such as QLASSIC, BuildQAS, and SHASSIC.

**Figure 1: Business Activities**



Source: Company

Figure 2: Orderbook vs Revenue Recognition Progress (FY22–FY24)



Note: Orderbook-to-Cover Ratio refers to the ratio of year-end orderbook to full-year revenue.

Source: Company, Apex Securities

**Track Record of Beating Deadlines.** Since GDB's inception, the Group has built a strong track record of delivering projects ahead of schedule by leveraging technologies such as BIM and IBS to streamline processes, minimise delays, and boost productivity. Its portfolio includes notable projects such as One Central Park, Westside III, Metrohub 1 Logistics Hub, Etiqa Office Tower, and Menara Hap Seng 3 — completed 107 days, 61 days, 31 days, 18 days, and 7 days ahead of schedule, respectively.

**RM1.2bn Orderbook Offers Revenue Visibility Through FY26.** As at 31 Mar 2025, GDB's outstanding orderbook stood at RM1.2bn, underpinned by three projects secured in 2024: Metrohub 4 Logistic Hub in Klang, Logistics Hub Plot B in Shah Alam, and the KL International Hospital in Bukit Jalil. These projects are expected to support revenue visibility through FY26, keeping the Group busy over the next two years.

Figure 3: Contracts Secured (2024)



Source: Company

Figure 4: Estimated Outstanding Orderbook (As at 31 Mar 2025)

Contracts	Awarded By	Commencement	Estimated Completion	Outstanding Orderbook (RM'm)
Metrohub 4 Logistics Hub (Klang)	SDPLOG 1 Sdn Bhd	Dec 2024	Aug 2026	268.2
Logistics Hub, Plot B (Shah Alam)	Strategic Sonata Sdn Bhd	Jun 2024	Dec 2026	735.8
KL International Hospital (Bukit Jalil)	KL International Hospital Sdn Bhd	Jan 2024	Apr 2026	229.5
<b>Total</b>				<b>1233.5</b>

Source: Company, Apex Securities

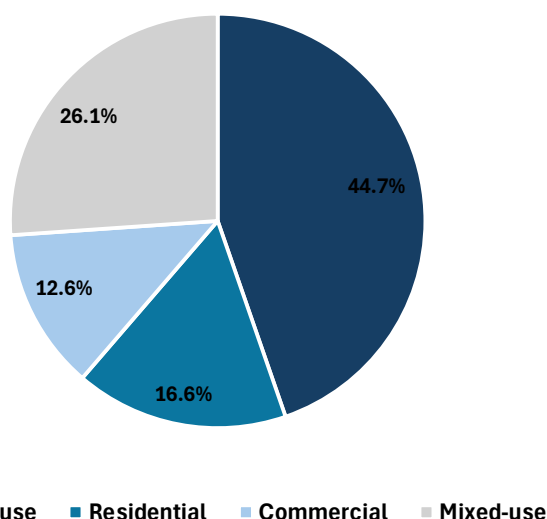
**Targeting RM5bn Tenderbook by End-2025.** GDB's tenderbook currently stands at RM2.7bn, with submissions concentrated in warehouses (44.7%), residential (16.6%), commercial (12.6%), and mixed-use (26.1%) segments. The Group aims to submit an additional RM2bn worth of tenders by end-2025, maintaining a similar ratio with 44.7% in warehouse projects. This would lift

its total tenderbook to c.RM5bn. Based on its historical conversion rate, we project a 15% success rate on the upcoming bids, translating to potential job wins of at least RM700m. With its emphasis on warehouses, typically valued at RM300m to RM500m each, this could equate to two sizeable contract wins by end-2025.

In the long term, GDB intends to expand into infrastructure construction services, particularly in roads, highways, and bridges. This aligns with the country's ongoing economic development, which is expected to drive demand for such projects.

That said, GDB is temporarily excluding data centres (DCs) from its pipeline due to its tight delivery timelines and risk of delays. Instead, management prefers to focus on projects with a more manageable risk profile, where the Group can deploy its resources and technical expertise more effectively.

**Figure 5: Tenderbook Breakdown (As at 1H 2025)**



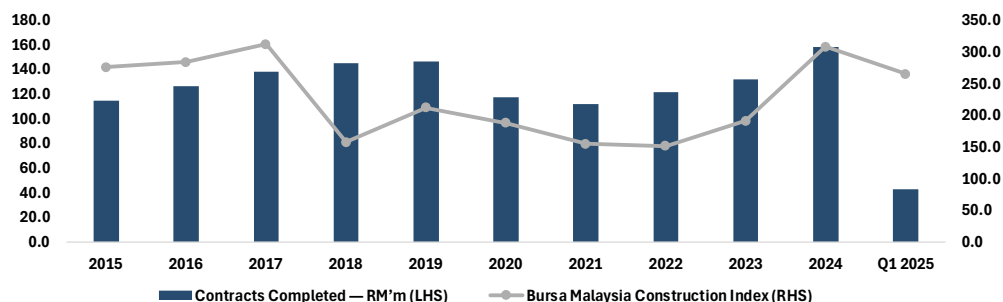
Source: Company, Apex Securities

## Industry Overview

**Construction Peaks in 2024, But 1Q 2025 Shows No Signs of Slowing.** Malaysia's construction sector reached a new peak in 2024, with the total value of work done rising 20.2% yoy to RM158.8bn. This contributed to the Bursa Construction Index's strong 59.1% return for the year. The positive trend continued into 1Q 2025, with construction value hitting a single-quarter record of RM42.9bn, up 16.6% yoy. Growth was led by special trade activities (+35.5% yoy), followed by residential buildings (+27% yoy), non-residential buildings (+21% yoy), and civil engineering works (+3.7% yoy).

The private sector accounted for RM27bn or 62.9% of the total value, while the public sector contributed RM15.9bn or 37.1%. Geographically, Selangor, Johor, Wilayah Persekutuan, and Sarawak collectively accounted for nearly 63.4% of total construction work done in 1Q 2025, remaining the largest contributors.



**Figure 6: Contracts Activities Completed vs Construction Sector Index**

Source: DOSM, Apex Securities

**Current Property Landscape.** Amid cautious consumer sentiment, Malaysia's property sector recorded a weaker performance in 1Q 2025, with transaction value down 8.9% yoy to RM51.4bn. Still, supply-side activity has picked up meaningfully. The number of housing units that began construction rose 32.5% yoy to 28,344 units, from 21,391 units a year earlier. Meanwhile, new residential launches more than doubled to 12,498 units, signalling growing optimism among developers. On the demand side, tax relief on housing loan interest is expected to support first-time homebuyers. Financing conditions may also improve further following Bank Negara Malaysia's recent 25bps OPR cut to 2.75% on 9 Jul 2025, which could help boost affordability and loan uptake.

In the commercial segment, office markets in the Klang Valley, Johor, and Penang remained steady in 1Q 2025, with stable or improving occupancy and rental trends. The Klang Valley is set to add over 2m sq ft of new office space in 2025. Office rents in Johor Bahru rose between RM0.10 and RM0.40 per sq ft in prime areas, while Penang recorded marginal occupancy gains across the island. In Sabah and Sarawak, demand held firm, backed by strong tenant retention and major infrastructure rollouts such as the Pan Borneo Highway (PBH) and Sabah-Sarawak Link Road (SSLR).

Retail performance was steady nationwide as at 1Q 2025, with the Klang Valley expecting 3m sq ft of new retail space in 2H 2025. Meanwhile, the hospitality sector continued its recovery, recording over 25m visitors and RM102.2bn in receipts in 2024. Kuala Lumpur accounted for 16.9% of the country's total hotel room supply, with occupancy and room rates rising steadily. With recovery taking shape across residential, commercial, and hospitality segments, the improving pipeline of private sector projects may reinforce tender prospects for GDB.

**Logistics & Warehousing: Capacity Expansions Through 2028.** Since Malaysia reopened its borders in 2022, the logistics and warehousing sector has expanded rapidly, building on momentum from the e-commerce boom during the COVID-19 pandemic (2020–2022). In 2024, container throughput rose 8.6% yoy to 30.7m TEUs, reflecting robust trade recovery and rising logistics demand. According to JLL, Savills, and Knight Frank, over 45m sq ft of high-quality logistics space has been completed nationwide, with Klang Valley accounting for more than two-thirds of total stock, followed by Johor and Penang. Looking ahead, c.9.5m sq ft of new logistics space is scheduled for completion by 2027, underpinned by sustained private-sector investment.

As at 2024, Klang Valley take-up is dominated by 3PL providers (45.2%), manufacturers (31.5%), retailers (14.6%), e-commerce players (6.2%), transportation providers (2.1%), and information storage (0.4%). Based on GlobalData's estimates, e-commerce is set to capture a larger share of Malaysia's warehousing demand, with online retail sales projected to grow from MYR43.5bn in 2023 to MYR67.1bn by 2028, a CAGR of 8.5%. Rising digital penetration, mobile commerce, and social commerce platforms will continue to fuel demand for modern, large-format, tech-enabled warehouses. Against this backdrop, the Group is well placed to capture robust job flows, particularly in Klang Valley logistics hubs.

**Figure 7: Selected Upcoming Logistics Warehousing Projects in Malaysia (2025–2027)**

Project	Developer	Location	Estimated Gross Lettable Area (m sq ft)	Estimated Completion
Shah Alam Logistics Hub (Phase 1)	Global Vision Logistics Sdn Bhd	Shah Alam, Selangor	2.8	2025
Daiwa House Malaysia Logistics (Phase 3)	Daiwa House Industry Co. Ltd	Shah Alam, Selangor	1.7	2025
Storio Hub 1 & 2	IJM Corporation Bhd & FMM Elmina Sdn Bhd	Shah Alam, Selangor	0.5	2025
Daiso Global Distribution Centre Warehouse	Kajima (Malaysia) Sdn Bhd & Sunway Construction Sdn Bhd	Port Klang, Selangor	1.7	2025
Metrohub 4 Logistics Hub	SDPLOG 1 Sdn Bhd	Klang, Selangor	1.4	2026
Mapletree Logistics Hub	Mapletree Logistics Trust	Subang Jaya, Selangor	1.4	2027
<b>Total</b>			<b>9.5</b>	

Source: Savills, Apex Securities

**Infrastructure: An Emerging Growth Avenue.** Momentum in Malaysia's infrastructure sector has picked up meaningfully in 2025, anchored by a surge in public contract awards and stronger government commitment. In 1Q 2025, total contracts awarded rose 135% yoy to RM16.4bn, supported by notable wins such as the Penang LRT Segment 1 and the reinstated LRT3. This positive momentum is expected to continue into 2H 2025, with upcoming tenders anticipated for the remaining Penang LRT packages (Segments 2 & 3), the Penang Airport expansion (Package 3), the NPE Extension, the Northern Corridor Highway, and a slate of flood mitigation projects.

Looking further ahead, the recently tabled 13th Malaysia Plan (2026–2030) is set to provide a significant boost to construction demand, with major allocations including RM67bn for schools and education facilities, RM40bn for hospitals and healthcare facilities, RM20bn for 103 flood mitigation projects, and the development of 1m affordable homes (2026–2035). Budget 2025 further reinforces this momentum, with RM120bn earmarked for public development expenditure, comprising RM86bn in development expenditure, RM9bn under Private Finance Initiatives (PFI), and RM25bn in direct domestic investment from Government-Linked Investment Companies (GLICs).

Although GDB is not currently active in the public infrastructure space, the group has highlighted ambitions to diversify into this segment over the long term. Tapping into the expanding pipeline of infrastructure jobs could unlock a new and sizeable growth avenue for GDB.

## Investment Highlights

**Breakout Year in FY25.** All three key projects under GDB's RM1.2bn outstanding orderbook—Metrohub 4 in Klang, Logistics Hub Plot B in Shah Alam, and KL International Hospital in Bukit Jalil—are now entering their peak revenue recognition phases. Our estimates indicate FY25F revenue could reach c.RM800m, the highest since the Group's Bursa Malaysia debut. Some spillover profit will also be recognised in FY25, as management had previously overestimated project costs due to extended delays during the MCO period, resulting in understated earnings in prior years. With actual costs now coming in lower than expected, these adjustments will be reflected in FY25.

**Emerging Warehouse Specialist.** GDB is increasingly carving out a niche in warehouse construction, with two of its three ongoing projects being warehouse related: Logistics Hub Plot B in Shah Alam and Metrohub 4 Logistic Hub in Klang. Warehouse projects account for 44.7% of its RM2.7bn tenderbook, and the Group plans to maintain a similar ratio in an additional RM2bn of bids to be submitted by end-2025. Of this, warehouse tenders could exceed RM2bn, potentially lifting the total tenderbook to c.RM5bn. While margins are broadly comparable with residential and mixed-use projects, GDB favours warehouses for their simpler design, faster turnaround, and lower execution risk. This focus strengthens its position to tap into rising demand from Malaysia's logistics and e-commerce sector.

**Leadership That Delivers, Track Record That Proves It.** GDB is led by a senior management team with over 40 years of experience in the construction industry. Their hands-on involvement in both planning and site execution ensures tight control over timelines, costs, and quality. Together with

the use of technologies such as BIM and IBS, these strengths have enabled the early completion of most of its projects — including One Central Park (107 days ahead), Westside III (61 days ahead), Metrohub 1 Logistics Hub (31 days ahead), Etiqa Office Tower (18 days ahead), and Menara Hap Seng 3 (7 days ahead) — reinforcing the Group's reputation as a reliable construction player.

Based on the current share price, GDB's FY25F P/E is projected at 4.0x, while the TTM P/E is at 7.7x as at 11 Aug 2025, reflecting stronger expected earnings. Backed by a sizable tenderbook expected to reach RM5bn by year-end, the Group is well positioned to sustain its growth trajectory beyond FY25. Valuation remains attractive given the Group's improving earnings visibility.

## Financial Highlights

**Earnings Momentum Building, Backed by Strong Balance Sheet.** GDB closed FY24 with core net profit (CNP) of RM36.7m, translating into a core net margin of c.14%. This was aided partly by catch-up recognition of previously understated revenue from FY22–FY23. 4QFY24 delivered CNP of RM14.4m, but the real earnings momentum only emerged in 1QFY25, when CNP rose further to RM19.6m as all three projects in its current orderbook entered their peak revenue recognition phase. We expect this phase to sustain near-term earnings strength, though margins are likely to normalise to c.9% by FY26F, in line with pre-COVID levels.

Crucially, the Group maintains a strong balance sheet, remaining debt-free with RM81.1m in net cash (RM0.09 per share) as at FY24, representing c.24% of market cap. The healthy cash position provides both downside protection and ample capacity to fund large-scale projects.

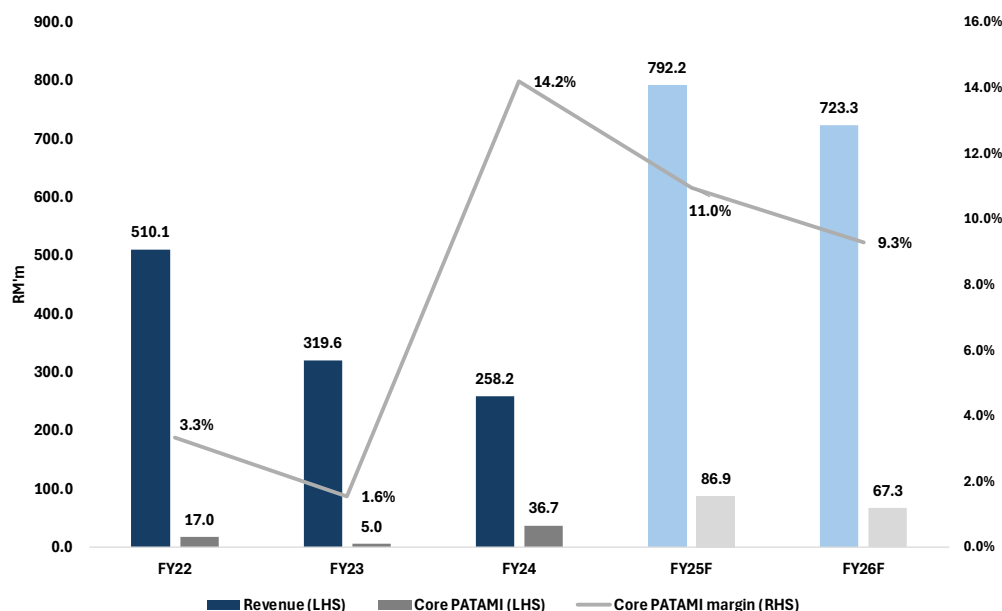
**Dividends.** GDB has a formal dividend policy targeting a 30% payout of PATAMI. In FY24, the Group delivered a payout ratio of c.25%. Backed by its expected solid earnings performance, we forecast the payout to reach 30% in FY25F–FY26F, translating into attractive dividend yields of 6%–8%. These payouts are supported by the Group's strong net cash position, ensuring both sustainability and attractive shareholder returns.

**Receivables Recovery in Progress.** GDB's cash conversion cycle (CCC) lengthened from 64 days in FY22 to 100 days in FY24, largely due to elevated receivables of RM153.4m. Of this, RM89.4m (c.60%) relates to the 8 Conlay project where GDB was previously terminated as the main contractor.

To date, GDB has secured favourable adjudication awards totalling RM142m against Damai City Sdn Bhd, the developer of 8 Conlay, for unpaid construction work. The first award of RM59.3m was successfully enforced by the High Court in April 2025, while enforcement for the second RM82.7m award is ongoing. As at FY24, RM89.4m in receivables related to this dispute has been recognised. That said, we expect CCC to improve significantly and potentially halve by end-FY25, driven by ongoing recovery efforts.

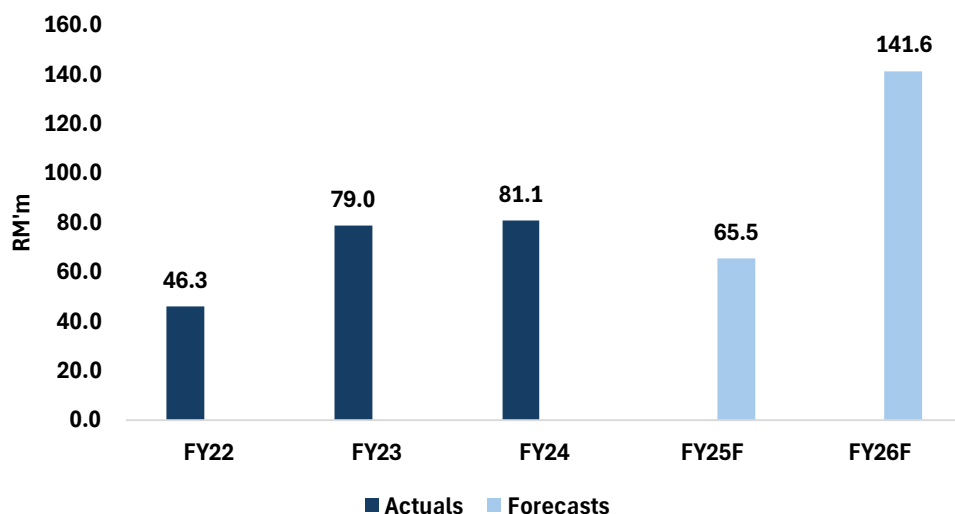
**Earnings Outlook.** Going forward, we project GDB's CNP to surge 137% yoy from RM36.7m in FY24 to RM86.9m in FY25F, driven by three major projects in its RM1.2bn orderbook entering peak revenue recognition phases and a sizable tenderbook expected to reach RM5bn by year-end. Earnings are expected to ease 23% to RM67.3m in FY26F, reflecting the completion of ongoing projects and a normalisation of orderbook replenishment to RM705m in FY25F and FY26F from RM902m in FY24. Over the longer term, its planned expansion into infrastructure construction services is expected to enhance revenue visibility.

Figure 8: Revenue, earnings, and margin from FY22 to FY26F



Source: Company, Apex Securities

Figure 9: Net Cash Position from FY22 to FY26F



Source: Company, Apex Securities

## Sensitivity Analysis

Given that construction earnings are driven by orderbook execution and profitability is influenced by CNP margin, we conducted a sensitivity analysis to assess their combined impact on our FY26F base case earnings of RM67.3m, which assumes RM705m in orderbook replenishment and a 9.3% CNP margin.

As illustrated in **Figures 10 and 11**, at RM705m in new wins, every 0.5% change in CNP margin results in an  $\pm 5.4\%$  swing in FY26F earnings. Similarly, holding the margin constant at 9.3%, every  $\pm RM100m$  change in orderbook replenishment shifts earnings by  $\pm 2.8\%$ . This reflects the operating leverage inherent in GDB's business model, where profitability is highly responsive to fluctuations in project wins and cost management.



Figure 10: Sensitivity of FY26F Earnings to Orderbook Replenishment and CNP Margin

		CNP Margin (%)				
		8.3%	8.8%	9.3%	9.8%	10.3%
Orderbook Replenishment (RM'm)	505.0	56.7	60.1	63.6	67.0	70.4
	605.0	58.4	61.9	65.4	68.9	72.5
	705.0	60.1	63.7	67.3	70.9	74.5
	805.0	61.7	65.4	69.1	72.9	76.6
	905.0	63.4	67.2	71.0	74.8	78.6

Source: Company, Apex Securities

Figure 11: Percentage Change in FY26F Earnings Across Different Orderbook Replenishment and CNP Margin Scenarios

		CNP Margin (%)				
		8.3%	8.8%	9.3%	9.8%	10.3%
Orderbook Replenishment (RM'm)	505.0	-15.7%	-10.6%	-5.5%	-0.5%	4.6%
	605.0	-13.2%	-8.0%	-2.8%	2.5%	7.7%
	705.0	-10.8%	-5.4%	0.0%	5.4%	10.8%
	805.0	-8.3%	-2.8%	2.8%	8.3%	13.8%
	905.0	-5.8%	-0.1%	5.5%	11.2%	16.9%

Source: Company, Apex Securities

## Valuation & Recommendation

**Valuation and Recommendation.** We initiate coverage on GDB with a **BUY** recommendation and a TP of **RM0.58**, based on an assigned 8.0x P/E multiple to its FY26F EPS of 7.2 sen, alongside a three-star ESG rating. The assigned P/E multiple implies a 29% discount to the weighted average forward P/E multiple of peers at 11.3x, and is 1.1 SD below GDB's 5-year mean P/E of 16.1x.

Building on this, we favour GDB for its strong track record of delivering high-quality projects ahead of schedule to reputable clients, niche expertise in warehouse construction, and orderbook growth potential supported by a tender pipeline expected to reach RM5bn by year-end. Its investment case is further enhanced by a robust balance sheet with a net cash of RM81.1m (c.24% of market cap), undemanding 5.2x FY26F P/E, and attractive dividend yields of >5% for FY25F-FY26F.

## Peers Comparison

Figure 12: Selected peers engage in construction, listed on Bursa Malaysia

Company	Market Cap	Share Price as at 11Aug25	Target Price (RM'm)	Potential Upside	2025F	2026F	P/E (x)	Dividend Yield (%)	ESG Rating
GDB Holdings Bhd	342.2	0.37	0.58	58.9%	3.9	5.1	1.4	1.4	★★★
Kerjaya Prospek Group Bhd	2615.3	2.08	2.50	20.2%	13.4	12.6	5.5	5.5	★★★
Mitrajaya Holdings Bhd*	248.9	0.34	0.49	44.1%	8.8	8.8	2.9	2.9	N/A
Gadang Holdings Bhd*	204.2	0.26	0.22	-13.7%	15.3	13.3	1.1	1.1	N/A
Lim Seong Hai Capital Bhd*	725.2	0.87	N/A	N/A	9.2	8.1	1.7	1.7	N/A
Binastra Corporation Bhd*	1920.5	1.76	2.57	46.0%	15.3	11.7	1.7	1.7	N/A
Inta Bina Group Bhd*	261.9	0.43	0.93	116.3%	6.0	5.1	4.7	4.7	N/A
Simple Average (Ex-GDB Holdings Bhd)					11.3	9.9	2.9		
Weighted Average (Ex-GDB Holdings Bhd)					13.0	11.3	3.5		

\*Forecast data denotes Bloomberg consensus estimates

\*Based on TTM earnings due to lack of consensus estimates

Source: Bloomberg, Apex Securities

## Investment Risk

**Rising Material Prices.** Recent geopolitical events, supply chain disruptions, and inflationary pressures can significantly influence the prices of construction materials and profitability margins.

**Failure to Secure New Contracts.** Should the Group fail to secure new contracts to meet its targeted orderbook replenishment targets, earnings forecast will be revised downward.

**Risk of Liquidated Ascertained Damages (LAD).** Delays and cost overruns in construction projects may result in LAD. Such penalties erode profit margins, strain cash flow, and damage the Group's reputation, impacting its ability to secure future contracts.

# Initiation Coverage

Tuesday, 12 Aug, 2025

## Financial Highlights

### Income Statement

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
<b>Revenue</b>	<b>510.1</b>	<b>319.6</b>	<b>258.2</b>	<b>792.2</b>	<b>723.3</b>
<b>Gross Profit</b>	<b>29.9</b>	<b>13.4</b>	<b>55.8</b>	<b>130.7</b>	<b>104.7</b>
<b>EBITDA</b>	<b>28.4</b>	<b>16.2</b>	<b>43.4</b>	<b>122.9</b>	<b>96.0</b>
Depreciation & Amortisation	-6.5	-5.2	-3.4	-4.0	-3.4
<b>EBIT</b>	<b>21.9</b>	<b>11.0</b>	<b>40.0</b>	<b>118.9</b>	<b>92.6</b>
Net Finance Income/ (Cost)	-0.1	-0.1	0.0	0.0	0.0
Associates & JV	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>21.8</b>	<b>10.9</b>	<b>40.0</b>	<b>118.9</b>	<b>92.6</b>
Tax	-5.6	-2.6	-13.3	-32.1	-25.3
<b>Profit After Tax</b>	<b>16.2</b>	<b>8.3</b>	<b>26.7</b>	<b>86.8</b>	<b>67.3</b>
(-) Minority Interest	-1.0	0.3	0.0	0.0	0.0
<b>Net Profit</b>	<b>17.2</b>	<b>8.0</b>	<b>26.8</b>	<b>86.9</b>	<b>67.3</b>
(-) Exceptionals	0.2	3.1	-9.9	0.0	0.0
<b>Core Net Profit</b>	<b>17.0</b>	<b>5.0</b>	<b>36.7</b>	<b>86.9</b>	<b>67.3</b>

### Key Ratios

FYE Dec	FY22	FY23	FY24	FY25F	FY26F
Revenue Growth (%)	20.0%	-37.3%	-19.2%	206.8%	-8.7%
CNP Growth (%)	-43.2%	-70.8%	640.1%	136.7%	-22.5%
Core EPS (sen)	1.8	0.5	3.9	9.3	7.2
P/E (x)	20.4	70.0	9.5	4.0	5.2
P/B (x)	2.2	2.0	1.8	1.4	1.1
EV/EBITDA (x)	10.6	16.6	6.1	2.3	2.1
DPS (sen)	0.7	0.0	0.0	2.8	2.2
Dividend Yield (%)	1.9%	0.0%	0.0%	7.5%	5.8%
EBITDA margin (%)	5.6%	5.1%	16.8%	15.5%	13.3%
EBIT margin (%)	4.3%	3.4%	15.5%	15.0%	12.8%
PBT margin (%)	4.3%	3.4%	15.5%	15.0%	12.8%
PAT margin (%)	3.2%	2.6%	10.4%	11.0%	9.3%
NP margin (%)	3.4%	2.5%	10.4%	11.0%	9.3%
CNP margin (%)	3.3%	1.6%	14.2%	11.0%	9.3%
ROE (%)	10.6%	2.9%	18.7%	33.8%	22.1%
ROA (%)	4.6%	1.4%	9.8%	14.9%	10.9%
Gearing (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

### Assumptions

Orderbook replenishment*	0.0	9.0	902.0	705.0	705.0
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\*Historical numbers reflect actual orderbook replenishment

### Valuations

	FY26F
Core EPS (RM)	0.072
P/E multiple (x)	8.0
<b>Fair Value (RM)</b>	<b>0.58</b>
ESG premium/discount	0.0%
<b>Implied Fair Value (RM)</b>	<b>0.58</b>

Source: Company, Apex Securities

### Balance Sheet

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Cash	46.3	79.0	81.1	65.5	141.6
Receivables	184.2	151.7	153.4	271.0	247.4
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	117.4	100.4	123.5	233.4	213.1
<b>Total Current Assets</b>	<b>347.9</b>	<b>331.1</b>	<b>358.1</b>	<b>569.9</b>	<b>602.1</b>
Fixed Assets	20.7	15.6	14.6	13.6	12.6
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
<b>Total Non-Current Assets</b>	<b>20.7</b>	<b>15.6</b>	<b>14.6</b>	<b>13.6</b>	<b>12.6</b>
Short-term debt	0.0	0.0	0.0	0.0	0.0
Payables	200.4	157.1	161.7	308.0	288.0
Other current liabilities	6.7	20.4	15.0	18.8	22.8
<b>Total Current Liabilities</b>	<b>207.0</b>	<b>177.5</b>	<b>176.7</b>	<b>326.7</b>	<b>310.9</b>
Long-term debt	0.0	0.0	0.0	0.0	0.0
Other non-current liabilities	0.7	0.0	0.0	0.0	0.0
<b>Total Non-Current Liabilities</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Shareholder's equity	160.4	168.4	195.2	256.0	303.1
Minority interest	0.5	0.8	0.8	0.8	0.8
<b>Total Equity</b>	<b>160.9</b>	<b>169.3</b>	<b>196.0</b>	<b>256.8</b>	<b>303.8</b>

### Cash Flow

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
<b>Pre-tax profit</b>	<b>21.8</b>	<b>10.9</b>	<b>40.0</b>	<b>118.9</b>	<b>92.6</b>
Depreciation & amortisation	6.5	5.2	3.4	4.0	3.4
Changes in working capital	-53.0	21.5	-45.5	-81.1	23.9
Others	-9.5	-7.5	2.2	-30.4	-22.9
<b>Operating cash flow</b>	<b>-34.1</b>	<b>30.1</b>	<b>0.1</b>	<b>11.4</b>	<b>97.1</b>
Net capex	-0.9	1.0	-0.4	-3.0	-2.4
Others	1.1	1.6	2.4	2.0	1.6
<b>Investing cash flow</b>	<b>0.2</b>	<b>2.6</b>	<b>2.0</b>	<b>-1.0</b>	<b>-0.8</b>
Dividends paid	-6.6	0.0	0.0	-26.1	-20.2
Others	-7.4	7.3	0.8	0.0	0.0
<b>Financing cash flow</b>	<b>-13.9</b>	<b>7.3</b>	<b>0.8</b>	<b>-26.1</b>	<b>-20.2</b>
<b>Net cash flow</b>	<b>-47.8</b>	<b>40.0</b>	<b>2.9</b>	<b>-15.6</b>	<b>76.1</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 & cash equivalent	76.9	29.0	69.0	71.9	56.4
Ending cash & cash equivalent	29.0	69.0	71.9	56.4	132.4
Fixed deposits with licensed banks	17.2	10.0	9.2	9.2	9.2
<b>Total cash &amp; deposits</b>	<b>46.3</b>	<b>79.0</b>	<b>81.1</b>	<b>65.5</b>	<b>141.6</b>

**ESG Matrix Framework:****Environment**

Parameters	Rating	Comments
Climate	★★★	Conduct life cycle analyses to identify opportunities for reducing energy use across construction activities. Sources materials locally to reduce the energy required for transportation and logistics, thereby lowering overall carbon footprint produced.
Waste & Effluent	★★★	Recycled 60.6% of waste generated in FY2024, a significant improvement from 27% in FY23. Zero water discharge into rivers, lakes, streams, or ponds in FY24, with all effluents channelled into public sewer systems.
Energy	★★★	Total energy consumption stood at 23,050.44 GJ in FY24, a 29% decrease from 32,673.44 GJ in FY23.
Water	★★★	Conducts periodic water quality surveys at key locations across all project sites, measuring parameters such as Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), and suspended solids. The results are benchmarked against Malaysia's National Water Quality Standards to ensure compliance.
Compliance	★★★	In compliance with local environmental regulations.

**Social**

Diversity	★★	Male-dominated workforce, 71% male and 29% female composition for office-based employees.
Human Rights	★★★	0 human rights violations and incidence of non-compliance with regards to labour matters recorded in FY24.
Occupational Safety and Health	★★	Possesses ISO 45001:2018 certification and project-specific SHASSIC certifications. 1 fatal accident at work site recorded in FY24.
Labour Practices	★★★	Meets the standards mandated by the Workers' Minimum Standards of Housing, Accommodations, and Amenities (Amendment) Act 2019.

**Governance**

CSR Strategy	★★★	Channelled 99.98% (RM185.2m) of its supplier spending to local businesses while also contributing RM14,400 to charitable and community initiatives benefiting four external organisations.
Management	★★★	1/6 female board composition, 3/6 independent directors.
Stakeholders	★★★	Major announcements and financial reports were announced in timely manner.

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, 12 Aug, 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.