

Research Team

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Recommendation:	BUY
Current Price:	RM 1.56
Previous Target Price:	RM 1.92
Target Price:	↑ RM 2.02
Capital Upside/ Downside:	29.5%
Dividend Yield (%)	3.8%
Total Upside/ Downside:	33.3%

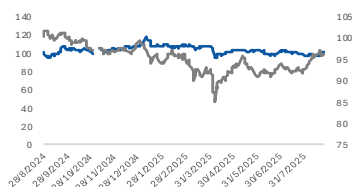
Stock Information

Board	MAIN
Sector	Property
Bursa / Bloomberg Code	5293 / AMEMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares Issued (m)	638.6
Market Cap (RM' m)	1,008.9
52-Week Price Range (RM)	1.84- 1.46
Beta (x)	0.7
Free float (%)	38.9
3M Average Volume (m)	0.2
3M Average Value (RM' m)	0.3

Top 3 Shareholders

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

Share Price Performance



	1M	3M	12M
Absolute (%)	3.9	-1.3	0.0
Relative (%)	0.2	-5.1	4.6

Earnings Summary	FY26F	FY27F	FY28F
Revenue (RM'm)	932.9	810.2	921.7
PATAMI (RM'm)	132.2	97.8	103.8
CNP (RM'm)	132.2	97.8	103.8
EPS - core (sen)	20.6	15.3	16.2
P/E(x)	7.7	10.4	9.8

AME Elite Consortium Bhd

Above Expectations

- AME's 1QFY26 CNP came in at RM32.4 m (+121.3% YoY, +76.1% QoQ). The result was above our expectations, representing 36.7% of our full-year forecast and 21.8% of consensus estimate.
- Supported by RM533.6m in unbilled sales, expected to be recognised over 12–18 months, alongside a remaining construction orderbook of RM255.9m.
- We have revised our earnings forecasts upward by 44.1%/9.8% to RM132.2m/RM97.8m for FY26F/FY27F, reflecting the recognition of sales from 11 plots of land to Digital Hyperspace Malaysia Sdn Bhd (consideration: RM209.8m) as well as adjustments to our financial model following a change in analyst coverage and introduce FY28F earnings at RM103.8m.
- We re-iterate our BUY recommendation with a higher TP of RM2.02 (from RM1.92), based on SOP valuations and an assigned three-star ESG rating.

Results above expectations. Excluding the gain on disposal of property, plant, and equipment of RM0.037m, core net profit (CNP) came in at RM32.4m, representing 36.7% of our full-year forecast and 21.8% of consensus estimate. The result was above our expectations but below consensus, largely due to the realised payment of RM209.8 m from the recent sale of 11 plots of land to Digital Hyperspace Malaysia Sdn Bhd, a data centre operator.

YoY. CNP advanced 121.3% YoY to RM32.4m (from RM14.6m), driven primarily by stronger contributions from the Property Development and Construction segments. Property Development operating profit surged 204.5% YoY, reflecting higher work progress and the timing of income recognition, while Construction operating profit rose 49.4% YoY in line with project progression. Growth in other segments partially offset a slight decline in the Property Management segment.

QoQ. Overall CNP increased 76.1% QoQ (from RM18.4m), supported mainly by the Property Development segment. Meanwhile, construction operating profit fell 60.5% to RM2.0m as higher expenses offset revenue and gross profit gains from project progress.

Outlook. In 1QFY26, the Group achieved RM84.6m in new property sales, with unbilled sales of RM533.6m (4QFY25: RM635.5m), providing earnings visibility for the Property Development segment over the next 12–18 months. Meanwhile, the Construction segment's orderbook expanded to RM255.9m (4QFY25: RM114.2m). Growth will be underpinned by: (i) ongoing developments at i-TechValley @ SILC and i-TechHub, (ii) the pending land acquisition from KKK Bhd in Ijok, targeted for FY26, and (iii) the Northern TechValley @ BKE development, where the JV has secured RM25.8m in sales, RM12.6m in bookings, and RM74.6m in unbilled sales as of 1QFY26. Forecast borrowings are expected to lift gearing from 27.9% to 43.0% in FY26F, in line with funding requirements for acquisitions and new developments. Over the longer term, the Johor industrial property sector is expected to remain vibrant, supported by major infrastructure projects including the RTS, JS-SEZ, and the potential revival of the HSR, all of which are likely to attract stronger domestic and foreign investment.

Earnings Revision. After factoring in the stronger-than-expected contribution from recent land sales, we revised our earnings forecasts upward by 44.1%/9.8% to RM132.2m/RM97.8m for FY26F/FY27F, respectively, and introduced FY28F earnings of RM103.8m.

Valuation. We maintain our BUY recommendation with a higher target price (TP) of RM2.02 (from RM1.92), based on SOP valuations and an ascribed three-star ESG rating. The increase in TP reflects the application of a higher P/E multiple of 14x (from 7x) to the Construction and Engineering segment, justified by AME's active tender pipeline and a valuation that is more in line with sector peers such as KERJAYA – 13.9x and BNASTRAS (NR) – 14.6x. For the Property Development segment, we adopt a DCF approach (Ke: 7.7%), which better captures the timing of

project cashflows and earnings visibility compared to the static RNAV method. We believe DCF offers a more transparent risk adjustment and aligns with AME's cashflow-driven development model. We also factor in the adjustment of AME's equity stake in AME REIT from 51.2% to 50.2%, arriving at a derived TP of RM2.02.

Risks. Policy changes, labour shortages, rising construction and financing costs, weaker FDI inflows, and slower-than-expected construction progress.

Results Note

Friday, 29 Aug, 2025

Results Comparison

FYE Mar (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)	Comments
Revenue	187.5	142.4	31.7	115.6	62.1	187.5	142.4	31.7	
Cost of sales	(126.0)	(104.2)	21.0	(69.9)	80.1	(126.0)	(104.2)	21.0	
Gross profit	61.5	38.2	60.8	45.7	34.5	61.5	38.2	60.8	
Other income	0.5	0.8	(38.8)	25.5	(98.0)	0.5	0.8	(38.8)	
Operating expenses	(15.3)	(12.6)	21.4	(12.4)	23.4	(15.3)	(12.6)	21.4	
Operating profit	46.7	26.5	76.4	58.8	(20.5)	46.7	26.5	76.4	
EBIT	37.7	22.7	65.5	54.5	(31.0)	37.7	26.5	42.2	
Depreciation	1.6	1.6	(5.0)	1.8	(15.3)	1.6	1.6	(5.0)	
EBITDA	48.3	28.1	71.6	60.6	(20.4)	48.3	28.1	71.6	
Interest income	9.1	3.7	142.2	4.2	113.1	9.1	3.7	142.2	
Interest expenses	(4.3)	(3.5)	24.0	(2.9)	50.0	(4.3)	(3.5)	24.0	
Share of JV results	(0.9)	(0.2)	396.8	(0.5)	81.6	(0.9)	(0.2)	396.8	
Pre-tax profit	50.5	26.6	90.3	59.6	(15.3)	50.5	26.6	90.3	
Taxation	(12.4)	(6.1)	102.3	(9.8)	27.0	(12.4)	(6.1)	102.3	
Net profit	32.4	14.7	120.0	49.9	(35.1)	32.4	14.7	120.0	
Core net profit	32.4	14.6	121.3	18.4	76.1	32.4	14.6	121.3	
Core EPS (sen)	5.0	2.3	121.3	36.5	(86.2)	5.0	2.3	121.3	
EBITDA margin (%)	25.7	19.8		52.4		25.7	19.8		
Operating profit margin (%)	31.4	30.4		50.8		24.9	18.6		
PBT margin (%)	26.9	18.6		51.6		26.9	18.6		
Core net profit margin (%)	17.3	10.3		15.9		17.3	10.3		

Source: Company, Apex Securities

Segmental Breakdown

FYE Mar (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)	Comments
Revenue									
Construction	80.8	59.6	35.6	70.6	14.5	80.8	59.6	35.6	
Property development	98.7	60.3	63.5	51.7	90.9	98.7	60.3	63.5	
Engineering	35.4	41.3	(14.2)	17.5	102.7	35.4	41.3	(14.2)	
investment and management services	24.8	23.3	6.8	25.7	(3.2)	24.8	23.3	6.8	
Elimination	(52.2)	(42.1)	24.1	(49.7)	5.0	(52.2)	(42.1)	24.1	
Total	187.5	142.4	31.7	115.6	62.1	187.5	142.4	31.7	
Operating profit									
Construction	2.0	1.3	49.4	5.0	(60.5)	2.0	1.3	49.4	
Property development	28.3	9.3	204.5	15.0	89.3	28.3	9.3	204.5	
Engineering	4.1	3.2	30.0	1.1	288.7	4.1	3.2	30.0	
investment and management services	12.4	12.5	(0.8)	38.7	(67.9)	12.4	12.5	(0.8)	
Elimination	(0.1)	0.2	nm	(0.9)	(91.4)	(0.1)	0.2	nm	
Total	46.7	26.5	76.4	58.8	(20.5)	46.7	26.5	76.4	
Operating profit margin (%)			%-pts		%-pts			%-pts	
Construction	2.4%	2.2%	0.2%	7.0%	-4.6%	2.4%	2.2%	0.2%	
Property development	28.7%	15.4%	13.3%	28.9%	-0.2%	28.7%	15.4%	13.3%	
Engineering	11.6%	7.7%	3.9%	6.0%	5.6%	11.6%	7.7%	3.9%	
investment and management services	50.0%	53.8%	-3.8%	150.9%	-100.9%	50.0%	53.8%	-3.8%	
Elimination	0.1%	-0.5%	0.6%	1.8%	-1.6%	0.1%	-0.5%	0.6%	
Aggregate Total	24.9%	18.6%	6.3%	50.8%	-25.9%	24.9%	18.6%	6.3%	

Source: Company, Apex Securities

Results Note

Friday, 29 Aug, 2025

Financial Highlights

Income Statement

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	716.9	608.6	932.9	810.2	921.7
Gross Profit	172.2	176.5	270.6	229.2	241.0
EBITDA	155.0	143.0	215.7	171.7	176.1
Depreciation & Amortisation	-6.4	-6.8	-7.8	-7.7	-7.6
EBIT	148.6	136.2	207.8	164.0	168.4
Net Finance Income/ (Cost)	-5.5	3.3	-1.9	-6.9	-1.2
Associates & JV	2.7	-2.0	-2.1	-2.2	-2.3
Pre-tax Profit	158.2	153.0	220.0	171.6	182.2
Tax	-32.2	-30.3	-44.0	-39.5	-40.1
Profit After Tax	126.0	122.6	176.0	132.1	142.1
Minority Interest	32.9	30.6	43.9	34.3	38.4
Net Profit	93.1	92.1	132.2	97.8	103.8
Exceptionals	22.3	18.2	0.0	0.0	0.0
Core Net Profit	70.8	73.9	132.2	97.8	103.8

Key Ratios

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	11.0	11.5	20.6	15.3	16.2
P/E(x)	14.3	13.7	7.7	10.4	9.8
P/B(x)	0.8	0.8	0.7	0.7	0.6
EV/EBITDA(x)	9.3	9.1	5.6	8.5	8.5
DPS (sen)	6.0	6.0	4.1	3.1	3.2
Dividend Yield (%)	3.8%	3.8%	2.6%	1.9%	2.0%
EBITDA margin (%)	21.6%	23.5%	23.1%	21.2%	19.1%
EBIT margin (%)	20.7%	22.4%	22.3%	20.2%	18.3%
PBT margin (%)	22.1%	25.1%	23.6%	21.2%	19.8%
PAT margin (%)	17.6%	20.2%	18.9%	16.3%	15.4%
NP margin (%)	13.0%	15.1%	14.2%	12.1%	11.3%
CNP margin (%)	9.9%	12.1%	14.2%	12.1%	11.3%
ROE(%)	5.9%	5.9%	9.5%	6.5%	6.4%
ROA (%)	4.0%	3.8%	5.7%	4.1%	4.3%
Gearing (%)	14.7%	27.9%	43.0%	31.7%	29.4%
Net gearing (%)	Net Cash	2.5%	12.0%	Net Cash	Net Cash

Valuations

Valuation methodology

Property Development	712.5	DCF (Ke: 7.7%) less 20% discount
Construction & Engineering	342.2	14x P/E
AMERET (50.12% equity stake)	406.0	
Net Cash/Debt	-167.8	
SOP Value	1292.8	
No. of shares	640.7	
Fair Value (RM)	2.02	

Source: Company, Apex Securities

Balance Sheet

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash and bank	279.7	316.1	431.5	521.7	529.9
Receivables	142.8	99.8	130.3	136.1	116.4
Inventories	436.6	511.1	413.9	375.9	469.0
Other current assets	101.6	64.0	94.5	93.0	101.9
Total Current Assets	960.7	991.0	1070.1	1126.7	1217.2
Fixed Assets	766.7	864.6	861.7	860.0	858.4
Intangibles	0.0	0.0	0.0	0.0	1.0
Other non-current assets	34.6	67.8	396.6	374.5	351.1
Total Non-Current Assets	801.3	932.4	1258.4	1234.5	1210.5
Short-term debt	137.7	175.3	301.2	240.5	240.5
Payables	275.9	226.3	218.4	256.6	198.0
Other current liabilities	50.7	72.8	72.8	72.8	72.8
Total Current Liabilities	464.3	474.4	592.4	569.9	511.2
Long-term debt	37.0	172.1	298.0	237.3	237.3
Other non-current liabilities	68.2	32.7	44.3	47.8	51.6
Total Non-Current Liabilities	105.2	204.8	342.3	285.1	288.9
Shareholder's equity	873.9	920.7	1026.5	1104.7	1187.7
Minority interest	318.5	323.4	367.3	401.6	440.0
Total Equity	1192.4	1244.1	1393.7	1506.3	1627.7

Cash Flow

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	158.2	153.0	220.0	171.6	182.2
Depreciation & amortisation	6.4	6.8	7.8	7.7	7.6
Changes in working capital	-62.3	-148.8	39.9	75.3	-137.2
Others	-64.4	-71.0	-41.9	-37.3	-37.8
Operating cash flow	37.9	-60.0	225.8	217.3	14.9
Capex	-2.4	-2.8	-5.0	-6.0	-6.0
Others	-0.8	-10.2	-330.9	20.0	20.0
Investing cash flow	-3.1	-13.0	-335.9	14.0	14.0
Dividends paid	-32.0	-44.7	-26.4	-19.6	-20.8
Others	-42.3	159.9	251.9	-121.5	0.0
Financing cash flow	-74.2	115.2	225.5	-141.1	-20.8
Net cash flow	-39.4	42.2	115.4	90.3	8.1
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	306.3	266.9	309.0	424.4	514.7
Ending cash	266.9	309.0	424.4	514.7	522.8
Pledged deposits	12.88	7.06	7.06	7.06	7.06
Cash and deposits	279.7	316.1	431.5	521.7	529.9

Results Note

Friday, 29 Aug, 2025

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Scope 2 emissions stood at 74,385.78 tCO ₂ e 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 ³ 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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(a) nil.