

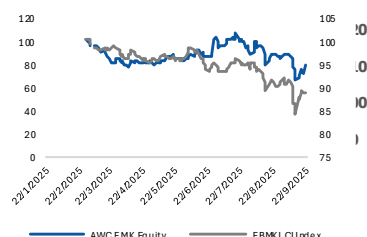
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Recommendation:	BUY
Current Price:	RM0.75
Previous Target Price:	RM0.78
Target Price:	RM0.88 ↑
Capital Upside/Downside:	17.3%
Dividend Yield (%):	1.7%
Total Upside/Downside	19.0%

Stock information	
Board	MAIN
Sector	Industrial
Bursa / Bloomberg Code	7579 / AWC FMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	339.4
Market Cap (RM' m)	252.8
52-Week Price Range (RM)	1.14-0.5
Beta (x)	2.1
Freefloat (%)	26.7
3M Average Volume (m)	0.8
3M Average Value (RM' m)	0.5

Top 3 Shareholders	(%)
K-Capital Sdn Bhd	25.1
Mohamed Nagoor Ahmad Kabeer Bin	8.3
Mastrack Sdn	4.3

Share Price Performance



	1M	3M	12M
Absolute (%)	15.5	29.6	-14.4
Relative (%)	14.8	22.8	-14.4

Earnings Summary	FY25	FY26F	FY27F
Revenue (RM'm)	414.1	396.1	412.5
PATAMI (RM'm)	24.9	33.1	37.9
CNP (RM'm)	21.0	33.1	37.9
EPS - core (sen)	6.2	9.7	11.1
P/E(x)	12.1	7.6	6.7

AWC Berhad

RM82.5m IFM Contract in Putrajaya

- AWC has secured an RM82.5m contract from Jabatan Kerja Raya Malaysia (JKR) for the facilities management and maintenance of buildings in Kompleks E, Putrajaya. The five-year contract lifts AWC's outstanding order book to c.RM692.1m (1.7x FY25 revenue).
- We view the award positively as it provides predictable cash flow that reinforces AWC's earnings visibility until FY31.
- The outlook for AWC's IFM segment remains positive, supported by expanding recurring federal maintenance contracts and the upcoming concession retendering under a revised framework that better reflects cost inflation and asset lifecycle requirements.
- Maintain BUY recommendation with a revised target price of RM0.88, based on 9x FY26F EPS of 9.7 sen and supported by a three-star ESG rating.

RM82.5m Facilities Management Contract in Putrajaya. AWC, through its wholly-owned subsidiary Ambang Wira Facilities Sdn Bhd (AWFSB), has accepted a Surat Setuju Terima (SST) issued by Jabatan Kerja Raya Malaysia (JKR) for the facilities management and maintenance of buildings in Kompleks E, Presint 1, Putrajaya. The five-year contract, valued at RM82.5m (inclusive of service tax), will commence from 1 January 2026 to 31 December 2030. The scope covers comprehensive facilities management services for the federal administrative complex.

Our Take. We view the award **positively** as it provides predictable cash flow that reinforces AWC's earnings visibility until FY31. Assuming a PBT margin of 8% after excluding the impact of SST, the contract is expected to generate c.RM1.2m in PBT annually, representing about 2.9% of our FY26F forecast. Incorporating this win, AWC's outstanding order book is estimated at RM692.1m (1.7x FY25 revenue), supporting medium-term earnings visibility.

Outlook. We expect AWC's Facilities segment to strengthen following the expiry of several government concession contracts in December 2025, which had previously weighed on margins due to higher operating costs. The 31 federal concessions, accounting for about 30% of segmental revenue, are scheduled for renewal through a new tendering process under a revised framework that better reflects cost inflation and asset lifecycle needs. The evaluation is expected to take around six months, during which the Government will likely extend existing arrangements to ensure service continuity given AWC's strong execution record. We believe AWC remains a favourable contender for renewal, supported by its proven two-decade track record in managing federal concession contracts.

Earnings revision. We make no changes to our earnings forecasts, as the latest contract win falls within our FY26F order book replenishment.

Valuation. We have raised our target PE multiple from 8x to 9x to reflect a more optimistic view of AWC's IFM growth prospects following its recent contract win. New TP of **RM0.88** (from RM0.78) is based on 9x FY26F EPS of 9.7 sen and supported by a three-star ESG rating. Maintain **BUY**. We like AWC for its (i) **leading AWS system market share** (90% in Malaysia, 40% in Singapore), (ii) **predictable cash flows** from both concessionaire and non-concessionaire segments, and (iii) **promising growth prospects** from untapped projects in Abu Dhabi, which collectively represent a potential RM1bn order book.

Risks. Failure to secure improved rates for government concession contracts under the IFM segment, slower-than-expected order replenishment in the Environment segment, and potential delays in mega infrastructure projects that could weigh on Rail segment prospects.

Company Note

Tuesday, 28 Oct, 2025

BURSA RISE+
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Financial Highlights

Income Statement

FYE Jun (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	399.0	414.1	396.1	412.5	425.5
Gross Profit	83.8	91.2	109.5	124.1	136.3
EBITDA	38.8	40.1	52.2	57.7	58.8
Depreciation & Amortisation	-5.8	-6.5	-7.8	-7.2	-6.4
EBIT	33.0	33.6	44.4	50.5	52.4
Net Finance Income/ (Cost)	-0.7	-1.9	-2.0	-2.1	-2.2
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	32.3	31.7	42.3	48.4	50.2
Tax	-8.0	-6.8	-9.2	-10.5	-10.8
Profit After Tax	24.3	24.9	33.1	37.9	39.4
Minority Interest	4.8	0.0	0.0	0.0	0.0
Net Profit	19.5	24.9	33.1	37.9	39.4
Exceptionals	4.0	3.9	0.0	0.0	0.0
Core Net Profit	15.4	21.0	33.1	37.9	39.4

Key Ratios

FYE Jun (RM m)	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	4.5	6.2	9.7	11.1	11.6
P/E(x)	16.4	12.1	7.6	6.7	6.4
P/B(x)	1.2	1.1	1.0	0.9	0.8
EV/EBITDA(x)	6.8	7.2	6.2	6.0	6.4
DPS (sen)	1.0	1.3	1.3	1.4	1.5
Dividend Yield (%)	1.3%	1.7%	1.7%	1.9%	2.0%
EBITDA margin (%)	9.7%	9.7%	13.2%	14.0%	13.8%
EBIT margin (%)	8.3%	8.1%	11.2%	12.2%	12.3%
PBT margin (%)	8.1%	7.7%	10.7%	11.7%	11.8%
PAT margin (%)	6.1%	6.0%	8.4%	9.2%	9.3%
NP margin (%)	4.9%	6.0%	8.4%	9.2%	9.3%
CNP margin (%)	3.9%	5.1%	8.4%	9.2%	9.3%
ROE (%)	7.3%	9.2%	12.8%	13.0%	12.1%
ROA (%)	3.5%	4.9%	6.6%	6.9%	6.5%
Gearing (%)	50.5%	42.4%	45.4%	47.3%	48.9%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Valuations

	FY26F
Core EPS (RM)	0.097
P/E multiple (x)	9.0
Fair Value (RM)	0.88
ESG premium/discount	0.0%
Implied Fair Value (RM)	0.88

Source: Company, Apex Securities

Balance Sheet

FYE Jun (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash and bank balances	119.2	133.6	185.8	233.0	281.6
Receivables	157.6	141.7	146.0	150.3	154.8
Contract assets	51.1	43.4	59.4	61.9	63.8
Other current assets	48.4	42.5	42.3	42.0	41.7
Total Current Assets	376.3	361.3	433.4	487.2	542.0
Fixed Assets	19.1	18.9	18.1	18.0	18.2
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	46.2	48.0	47.9	47.4	46.8
Total Non-Current Assets	65.4	66.9	66.0	65.4	65.0
Short-term debt	44.4	46.1	46.8	55.0	63.5
Payables	1.5	83.1	71.7	69.2	66.5
Other current liabilities	121.6	18.8	52.9	54.9	56.4
Total Current Liabilities	167.4	148.0	171.4	179.1	186.5
Long-term debt	62.6	51.0	70.2	82.6	95.3
Other non-current liabilities	0.0	0.0	0.0	0.0	0.0
Total Non-Current Liabilities	62.6	51.1	70.2	82.6	95.3
Shareholder's equity	211.6	229.1	257.9	290.9	325.1
Minority interest	0.0	0.0	0.0	0.0	0.0
Total Equity	211.6	229.1	257.9	290.9	325.1

Cash Flow

FYE Jun (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	32.3	31.7	42.3	48.4	50.2
Depreciation & amortisation	5.8	6.5	7.8	7.2	6.4
Changes in working capital	2.2	0.4	-15.7	-6.8	-7.2
Others	-8.1	-10.4	9.2	-10.7	-10.9
Operating cash flow	32.2	28.1	43.6	38.0	38.4
Capex	-3.8	-2.4	-4.0	-4.0	-4.0
Others	-95.3	6.2	-3.0	-2.5	-2.0
Investing cash flow	-99.1	3.8	-7.0	-6.5	-6.0
Dividends paid	-1.7	-4.2	-4.3	-4.9	-5.1
Others	85.0	-7.4	19.8	20.6	21.3
Financing cash flow	83.4	-11.6	15.5	15.7	16.2
Net cash flow	16.5	20.3	52.1	47.2	48.6
Forex	-0.8	-5.9	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	93.5	119.2*	133.6	185.8	233.0
Ending cash	109.2	133.6	185.8	233.0	281.6

*FY25 opening cash reflect latest quarterly balance, hence differs from FY24 closing

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Scope 1 and Scope 2 GHG emissions totalled 687.3m tCO ₂ e in 2024, marking a 0.7% yoy decreased from 2023.
Waste & Effluent	★★★	Waste management aligns with industry standards and regulatory requirements as well as minimise environmental impact.
Energy	★★★	Energy consumption decreased by 0.9% in FY24.
Water	★★★	Increased water consumption by 5%, from 1.0m ³ in the previous year to 1.1m ³ .
Compliance	★★★	The Group complies with all local and international environmental regulations.

Social

Diversity	★★	Female representation at 24% in the workforce and 8% at the management level, below than the MCCG's recommended 30% female directors on the Board.
Human Rights	★★★	Enforces strict policies against human trafficking, forced labor, and child labor.
Occupational Safety and Health	★★★	5326 numbers trained in 2024 to enhance workforce competence. No fatalities.
Labour Practices	★★★	Adheres to all relevant labour laws.

Governance

CSR Strategy	★★★★	Actively engaged with communities, contributing RM147k (+26.2% yoy) to various initiatives.
Management	★★	Among the board members, 8% (1 out of 12) were female, while 33% (4 out of 12) were independent directors
Stakeholders	★★★	Regularly organizes corporate events and holds an annual general meeting (AGM) for investors.

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.