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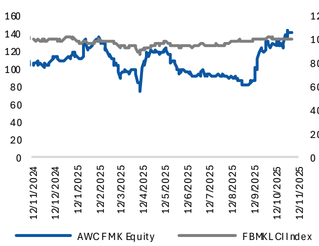
Recommendation:		BUY
Current Price:		RM 0.65
Previous Target Price:		RM 0.92
Target Price:	↔	RM 0.92
Capital Upside/Downside:		41.5%
Dividend Yield (%):		2.0%
Total Upside/Downside		**43.6%**

Stock information	
Board	MAIN
Sector	Industrial
Bursa / Bloomberg Code	7579 / AWCF MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	339.4
Market Cap (RM' m)	220.6
52-Week Price Range (RM)	1.14-0.5
Beta (x)	2.1
Free float (%)	26.7
3M Average Volume (m)	1.1
3M Average Value (RM' m)	0.7

Top 3 Shareholders	(%)
K-Capital Sdn Bhd	24.9
Mohamed Nagoor Ahmad Kabeer Bin	8.4
Mastrack Sdn	4.3

Share Price Performance



	1M	3M	12M
Absolute (%)	-5.1	16.1	-24.0
Relative (%)	-6.3	12.4	-25.4

Earnings Summary	FY25	FY26F	FY27F
Revenue (RM'm)	412.4	430.7	447.7
PATAMI (RM'm)	24.9	34.7	40.1
CNP (RM'm)	23.0	34.7	40.1
EPS - core (sen)	6.8	10.2	11.8
P/E (x)	9.6	6.4	5.5

AWC Berhad

Secures RM63.7m One-Year Federal Concession Extension

- **AWC has secured an estimated RM63.7m one-year extension for its Building Support Services Concession Agreement for Federal Government buildings in the Southern and Sarawak Zones. The Interim Agreement, effective 1 Jan 2026 to 31 Dec 2026, lifts AWC's outstanding order book to c.RM855.0m (2.1x FY25 revenue).**
- **We view the award positively, as the 15.8% higher annualised value (vs. RM55m/year previously) better accounts for cost inflation and supports earnings visibility up to FY27.**
- **No changes to earnings forecasts, as the latest contract win falls within our FY26F order book replenishment assumptions.**
- **Maintain BUY with an unchanged TP of RM0.92, based on 9x FY26F EPS of 10.2 sen, supported by a three-star ESG rating.**

RM63.7m One-Year Interim Concession Extension. AWC, through its wholly-owned subsidiary Ambang Wira Sdn Bhd (AWSB), has received confirmation from the Ministry of Works (KKR) that the Government of Malaysia has approved a RM63.7m one-year extension of the existing Building Support Services Concession Agreement for Federal Government buildings in the Southern Zone and Sarawak Zone. The Interim Agreement is effective 1 Jan 2026 to 31 Dec 2026.

Our Take. We view the award **positively**, as the pricing now reflects a 15.8% higher annualised value compared to the previous RM55m/year contract, better accounting for cost inflation. This supports a gradual recovery in AWC's earnings visibility up to FY27. Assuming a PBT margin of 6%, the contract is expected to generate c.RM3.8m in PBT over the period, translating into c.RM1.9m to be recognised in FY26 (4.3% of our FY26F forecast) and c.RM1.9m in FY27 (3.7% of our FY27F forecast). Incorporating this win, AWC's outstanding order book is estimated at RM855.0m, equivalent to 2.1x FY25 revenue, further reinforcing its medium-term earnings visibility.

Outlook. The successful extension underscores AWSB's proven execution track record and reinforces its position in federal building support services. The interim award strengthens our conviction that AWC stands a strong chance of securing the upcoming full-term renewal, which would support a recovery in the segment's earnings profile, given that federal concessions represent about 30% of IFM segmental revenue. Backed by its two-decade operating history and experience managing 31 federal concession contracts, we believe AWC remains the leading contender for the long-term concession award.

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

Valuation. We maintain our **BUY** recommendation with an unchanged TP of **RM0.92**, based on 9x FY26F EPS of 10.2sen and supported by a three-star ESG rating. 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.

KDN PP13226/06/2024 (035469)

Financial Highlights

Income Statement

FYE Jun (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	**399.0**	**412.4**	**430.7**	**447.7**	**461.4**
Gross Profit	**83.8**	**91.3**	**114.1**	**129.8**	**142.5**
EBITDA	**38.8**	**40.3**	**54.3**	**60.5**	**61.7**
Depreciation & Amortisation	-5.8	-6.5	-7.8	-7.2	-6.4
EBIT	**33.0**	**33.8**	**46.5**	**53.3**	**55.3**
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**	**31.9**	**44.4**	**51.2**	**53.1**
Tax	-8.0	-7.0	-9.7	-11.2	-11.5
Profit After Tax	**24.3**	**24.9**	**34.7**	**40.1**	**41.6**
Minority Interest	4.8	0.0	0.0	0.0	0.0
Net Profit	**19.5**	**24.9**	**34.7**	**40.1**	**41.6**
Exceptionals	4.0	1.9	0.0	0.0	0.0
Core Net Profit	**15.4**	**23.0**	**34.7**	**40.1**	**41.6**

Key Ratios

FYE Jun (RM m)	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	4.5	6.8	10.2	11.8	12.2
P/E (x)	14.3	9.6	6.4	5.5	5.3
P/B (x)	1.0	1.0	0.9	0.8	0.7
EV/EBITDA (x)	6.0	6.4	5.4	5.3	5.7
DPS (sen)	1.0	1.3	1.3	1.5	1.6
Dividend Yield (%)	1.5%	2.0%	2.0%	2.4%	2.4%
EBITDA margin (%)	9.7%	9.8%	12.6%	13.5%	13.4%
EBIT margin (%)	8.3%	8.2%	10.8%	11.9%	12.0%
PBT margin (%)	8.1%	7.7%	10.3%	11.4%	11.5%
PAT margin (%)	6.1%	6.0%	8.1%	8.9%	9.0%
NP margin (%)	4.9%	6.0%	8.1%	8.9%	9.0%
CNP margin (%)	3.9%	5.6%	8.1%	8.9%	9.0%
ROE (%)	7.3%	10.1%	13.4%	13.6%	12.6%
ROA (%)	3.5%	5.3%	6.7%	7.0%	6.6%
Gearing (%)	50.5%	42.4%	45.8%	48.0%	49.7%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Valuations	**FY26F**
Core EPS (RM)	0.102
P/E multiple (x)	9.0
Fair Value (RM)	**0.92**
ESG premium/ discount	0.0%
Implied Fair Value (RM)	**0.92**

Source: Company, Apex Securities

Balance Sheet

FYE Jun (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash & short term balance	119.2	134.5	193.5	243.9	295.9
Receivables	157.6	143.3	147.6	152.1	156.6
Contract assets	51.1	47.6	64.6	67.2	69.2
Other current assets	48.4	43.0	42.8	42.5	42.2
Total Current Assets	**376.3**	**368.4**	**448.5**	**505.6**	**564.0**
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	47.8	47.7	47.1	46.5
Total Non-Current Assets	**65.4**	**66.6**	**65.8**	**65.1**	**64.7**
Short-term debt	44.4	46.9	47.5	56.5	65.7
Payables	1.5	80.0	79.2	76.3	73.3
Other current liabilities	121.6	28.7	57.0	59.1	60.7
Total Current Liabilities	**167.4**	**155.6**	**183.7**	**191.8**	**199.7**
Long-term debt	62.6	50.3	71.3	84.7	98.5
Other non-current liabilities	0.0	0.0	0.0	0.0	0.0
Total Non-Current Liabilities	**62.6**	**50.4**	**71.3**	**84.7**	**98.6**
Shareholder's equity	211.6	229.1	259.3	294.2	330.4
Minority interest	0.0	0.0	0.0	0.0	0.0
Total Equity	**211.6**	**229.1**	**259.3**	**294.2**	**330.4**

Cash Flow

FYE Jun (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	**32.3**	**31.9**	**44.4**	**51.2**	**53.1**
Depreciation & amortisation	5.8	6.5	7.8	7.2	6.4
Changes in working capital	2.2	4.2	-5.2	-7.3	-7.5
Others	-8.1	-9.5	1.9	-11.4	-11.6
Operating cash flow	**32.2**	**33.1**	**49.0**	**39.7**	**40.3**
Capex	-3.8	-2.4	-4.0	-4.0	-4.0
Others	-95.3	1.4	-3.0	-2.5	-2.0
Investing cash flow	**-99.1**	**-1.0**	**-7.0**	**-6.5**	**-6.0**
Dividends paid	-1.7	-4.2	-4.5	-5.2	-5.4
Others	85.0	-9.2	21.5	22.4	23.1
Financing cash flow	**83.4**	**-13.4**	**17.0**	**17.2**	**17.7**
Net cash flow	**16.5**	**18.7**	**59.0**	**50.4**	**52.0**
Forex	-0.8	-5.6	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash and cash equivalents	93.5	109.2	122.4	181.4	231.8
Ending cash and cash equivalents	**109.2**	**122.4**	**181.4**	**231.8**	**283.8**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Scope 1 and Scope 2 GHG emissions totalled 597.4m tCO2 e in 2024, marking a 13.1% yoy decreased from 2024.
Waste & Effluent	★★★	Waste management aligns with industry standards and regulatory requirements as well as minimise environmental impact.
Energy	★★	Energy consumption rose sharply to 1,346.2MWh in FY2025 from 341.5MWh in the preceding year, reflecting the expanded data coverage to include AWC Facilities, DDT, Qudotech, and STREAM, whereas FY2023 and FY2024 only covered STREAM.
Water	★★	Water consumption increased to 3.1 m^3 from 1.1 m^3, consistent with the expansion in data coverage as mentioned in the energy section.
Compliance	★★★	The Group complies with all local and international environmental regulations.

Social

Diversity	★★★	Female representation at improved to 35% from 24% in the workforce and 20% 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	★★★★	Increased by 80.6% to 9616 hours 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 RM21k to various initiatives.
Management	★★★	Among the board members, 20% (1 out of 5) were female, while 80% (4 out of 5) 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

As of **Friday, 14 Nov, 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.