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Recommendation:	BUY
Current Price:	RM0.84
Previous Target Price:	RM0.96
Target Price:	↔ RM0.96
Capital Upside/Downside:	14.3%
Dividend Yield (%):	0.0%
Total Upside/Downside	14.3%

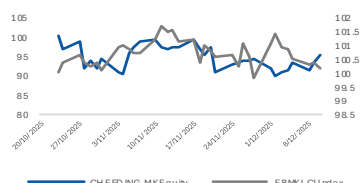
Stock information

Board	ACE
Sector	Industrial
Bursa / Bloomberg Code	0372 / CHEEDINGMK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	797.3
Market Cap (RM' m)	665.7
52-Week Price Range (RM)	0.96-0.7
Beta (x)	N/A
Free float (%)	26.7
3M Average Volume (m)	N/A
3M Average Value (RM' m)	N/A

Top 3 Shareholders

	(%)
Chai Ng Kian	72.8
Shein Ng Lam	2.6
Hsia Ng Chai	2.3

Share Price Performance



	1M	3M	12M
Absolute (%)	-4.0	N/A	N/A
Relative (%)	-3.0	N/A	N/A

Earnings Summary	FY25	FY26F	FY27F
Revenue (RM'm)	117.7	134.5	147.1
PATAMI (RM'm)	26.3	33.3	38.4
CNP (RM'm)	26.3	33.3	38.4
EPS - core (sen)	3.3	4.2	4.8
P/E(x)	24.1	19.1	16.5

Cheeding Holdings Berhad

RM13.5m Contract from TNB

- CHEEDING** has secured a RM13.5m contract from TNB for the PMU 132/11kV Genting Sempah extension and associated dismantling, reinstatement and commissioning works. This lifts the Group's unbilled order book to RM231.7m (2.0x FY25 revenue), strengthening medium-term execution visibility.
- Earnings contribution is expected to be phased across FY26F-FY28F in accordance with the 540-day contract cycle, with strongest recognition projected in FY27F.**
- No change to our earnings forecasts as the contract win is within our order book replenishment assumption.**
- Maintain BUY with an unchanged target price of RM0.96, based on 20x FY27F EPS of 4.8sen.**

RM13.5m Contract. CHEEDING, via its wholly owned subsidiary Pembinaan Bukit Cheeding Sdn Bhd (PBCSB) and Orasko Sdn Bhd (OSB) under an unincorporated joint venture on a 60:40 basis, has secured a RM13.5m contract (inclusive of SST) from Tenaga Nasional Berhad (TNB) for the PMU 132/11kV Genting Sempah extension works in Pahang. The scope comprises the dismantling of existing 132kV primary equipment and the supply, installation, testing and commissioning of new primary systems and steel structures, including civil modifications to plinths, completion of secondary systems (remote end included), and installation of new low-level gantries and steel pole foundations. The contract is effective from 9 December 2025 and provides for a 540-day completion period from the commencement date to be confirmed.

Our Take. We view the contract **positively**, as it supports earnings growth through FY28. Assuming a GP margin of 30% and after stripping out SST, the project is expected to deliver RM3.8m in gross profit over its duration, based on the assumption that works commence immediately upon LOA issuance. This translates into RM0.2m in FY26F (0.3% of our FY26F forecast), RM2.1m in FY27F (3.3% of our FY27F forecast) and RM1.5m in FY28F (2.0% of our FY28F forecast). Execution risks remain manageable, supported by CHEEDING's established delivery track record and healthy balance sheet. Post-award, the Group's outstanding order book is estimated at RM231.7m (2.0x FY25 revenue), reinforcing its medium-term earnings visibility.

Outlook. Order book replenishment is expected to remain robust, supported by accelerating data-centre power demand, electrification drive and sustained grid investment cycles. With improved balance-sheet flexibility post-IPO and established technical capabilities, we reckon CHEEDING is well positioned to secure upcoming transmission and substation-related packages, supporting a more visible earnings trajectory. The current tender pipeline of c.RM280m is anticipated to widen as enhanced financial headroom enables participation in higher-value and more technically intensive bids.

Earnings revision. No change to our earnings forecasts as the contract win is within our order book replenishment assumption of RM56m for FY26.

Valuation & Recommendation. Maintain our **BUY** recommendation on CHEEDING with an unchanged TP of **RM0.96**, based on 20x FY27F EPS of 4.8sen. We are positive on CHEEDING's outlook, given its: (i) **licensing** strength in up to **500kV transmission**, (ii) **integrated coverage** across overhead transmission, underground utilities, and substations, positioning CHEEDING as a one-stop EPCC provider, (iii) **proven track record** of delivering more than 20 national infrastructure projects, and (iv) **strong core net margins** (>20%) well above sector averages.

Risks. Customer Concentration Risk. Dependence on regulatory and public sector infrastructure spending. Cost overrun risk.

Financial Highlights

Income Statement

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	88.2	117.7	134.5	147.1	197.6
Gross Profit	39.2	45.1	55.1	62.9	75.5
EBITDA	29.6	36.5	46.2	53.3	61.6
Depreciation	-2.3	-1.9	-3.0	-3.4	-3.7
EBIT	27.3	34.6	43.2	49.9	57.9
Net Finance Income/ (Cost)	0.1	0.4	0.6	0.6	0.6
Associates& JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	27.4	35.0	43.8	50.5	58.5
Tax	-7.0	-8.6	-10.5	-12.1	-14.0
Profit After Tax	20.5	26.3	33.3	38.4	44.5
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Profit	20.5	26.3	33.3	38.4	44.5
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	20.5	26.3	33.3	38.4	44.5

Key Ratios

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	2.6	3.3	4.2	4.8	5.6
P/E(x)	31.0	24.1	19.1	16.5	14.2
P/B (x)	14.9	12.6	5.1	4.1	3.4
EV/EBITDA (x)	21.8	18.4	15.7	14.0	12.5
DPS (sen)	0.6	2.3	1.0	1.2	1.4
Dividend Yield (%)	0.8%	2.9%	1.3%	1.5%	1.8%
EBITDA margin (%)	33.5%	31.0%	34.3%	36.2%	31.2%
EBIT margin (%)	31.0%	29.4%	32.1%	33.9%	29.3%
PBT margin (%)	31.1%	29.7%	32.5%	34.3%	29.6%
PAT margin (%)	23.2%	22.4%	24.7%	26.1%	22.5%
NP margin (%)	23.2%	22.4%	24.7%	26.1%	22.5%
CNP margin (%)	23.2%	22.4%	24.7%	26.1%	22.5%
ROE (%)	48.1%	52.3%	26.6%	25.0%	23.8%
ROA (%)	32.2%	28.0%	22.6%	21.4%	20.6%
Gearing (%)	9.7%	6.2%	1.4%	1.3%	1.1%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Valuations

	FY27F
Core EPS (RM)	0.05
P/E multiple(x)	20.0
Fair Value (RM)	0.96
ESG premium/ discount	0.0%
Implied Fair Value (RM)	0.96

Source: Company, Apex Securities

Balance Sheet

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash and bank balances	14.2	41.3	91.1	116.3	135.4
Receivables	18.3	23.7	23.9	28.2	40.6
Contract assets	13.3	9.8	10.8	11.8	15.8
Other current assets	0.0	0.0	0.0	0.0	0.0
Total Current Assets	45.9	74.8	125.8	156.3	191.8
Fixed Assets	9.1	10.8	13.0	14.8	16.3
Investment properties	8.6	8.5	8.3	8.1	7.9
Other non-current assets	0.0	0.0	0.2	0.2	0.2
Total Non-Current Assets	17.7	19.3	21.5	23.1	24.5
Short-term debt	1.3	1.4	0.8	0.9	1.0
Payables	4.1	12.2	6.5	6.9	10.0
Other current liabilities	12.6	28.2	13.8	16.6	16.8
Total Current Liabilities	17.9	41.8	21.2	24.4	27.8
Long-term debt	2.8	1.7	1.0	1.1	1.2
Other non-current liabilities	0.3	0.3	0.3	0.3	0.3
Total Non-Current Liabilities	3.2	1.9	1.2	1.3	1.4
Shareholder's equity	42.5	50.4	124.9	153.7	187.1
Minority interest	0.0	0.0	0.0	0.0	0.0
Total Equity	42.5	50.4	124.9	153.7	187.1

Cash Flow

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	27.4	35.0	43.8	50.5	58.5
Depreciation	2.3	1.9	3.0	3.4	3.7
Changes in working capital	-17.2	21.2	2.1	13.1	17.4
Others	4.2	-14.5	-30.6	-27.3	-44.5
Operating cash flow	16.7	43.6	18.2	39.7	35.1
Capex	-2.5	-5.0	-5.0	-5.0	-5.0
Others	0.0	1.8	0.0	0.0	0.0
Investing cash flow	-2.5	-3.1	-5.0	-5.0	-5.0
Dividends paid	-5.0	-12.0	-8.3	-9.6	-11.1
Others	-6.6	3.7	44.9	0.1	0.2
Financing cash flow	-11.6	-8.3	36.6	-9.5	-11.0
Net cash flow	2.5	32.1	49.8	25.2	19.1
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	0.5	3.0	35.2	85.0	110.2
Ending cash	3.0	35.2	85.0	110.2	129.3

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 **Thursday, 11 Dec, 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.