

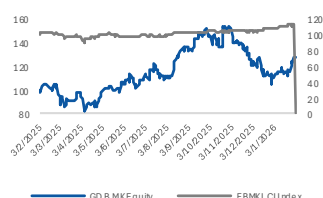
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Recommendation:	BUY
Current Price:	RM0.42
Previous Target Price:	RM0.53
Target Price:	↓ RM0.48
Capital Upside/ Downside:	15.7%
Dividend Yield (%):	5.2%
Total Upside/ Downside	20.9%

Stock Information	
Board	MAIN
Sector	Construction
Bursa/ Bloomberg Code	0198 / GDB MK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	1,031.3
Market Cap (RM' m)	428.0
52-Week Price Range (RM)	0.515-0.265
Beta (x)	1.3
Free float (%)	39.8
3M Average Volume (m)	3.0
3M Average Value (RM' m)	1.2

Top 3 Shareholders	(%)
Chc Holdings Sdn Bhd	29.6
Young Andy Lai Wee	13.1
Lo Tzone Leong	11.3

Share Price Performance



	1M	3M	12M
Absolute (%)	16.9	-17.0	22.1
Relative (%)	12.1	-22.6	8.9

Earnings Summary			
FYE Dec	FY24	FY25F	FY26F
Revenue (RM'm)	258.2	765.0	673.9
PATAMI (RM'm)	26.8	83.7	61.9
CNP (RM'm)	36.7	83.7	61.9
EPS - core (sen)	3.6	8.1	6.0
P/E(x)	11.8	5.2	7.0

Source: Company, Apex Securities

GDB Holdings Bhd

A new chapter in FY26

- **GDB secured its maiden infrastructure contracts, totalling RM121.4m across two projects awarded by Bina Muhibbah Permajaya Construction Sdn Bhd, marking its entry into East Malaysia.**
- **Post job wins, GDB's orderbook now stands at RM669m, providing the Group with earnings visibility through FY28. This translates into an orderbook-to-cover ratio of 2.6x FY24 revenue.**
- **The Group has an estimated tenderbook of RM1.4bn, with a further RM1.4bn of planned bid submissions by Q1 2026, which could lift the tenderbook to c.RM3bn.**
- **We lower our FY25–26F CNP forecasts by 4% and 9%, respectively, following the absence of new job wins in FY25, and revise our FY26F orderbook replenishment assumption down to RM550m (from RM705m).**
- **Maintain our BUY recommendation with a lower TP of RM0.48 (from RM0.53 previously), based on 8.0x FY26F EPS of 6.0 sen.**

First job wins of FY26. GDB secured its maiden infrastructure contracts, totalling RM121.4m across two projects awarded by Bina Muhibbah Permajaya Construction Sdn Bhd, marking its entry into East Malaysia. The first contract, valued at RM54.4m, involves road development works across the Simunjan and Samarahan districts. The second contract, worth RM67.0m, entails the construction of a new single-carriageway road, including earthworks, drainage and ground improvement works, across the Kuching and Samarahan Divisions.

Further details. Both projects commenced in January, with construction periods of 32 months for the first contract and 17.5 months for the second contract. We estimate GP margins of c.10% for both projects, below the 15–19% typically seen in residential and warehouse projects, reflecting their infrastructure nature.

Orderbook impact. We lower our FY26 orderbook replenishment assumption to RM550m (previously RM705m), reflecting slower job award momentum given a lack of new wins in FY25. These two recent job wins now represent c.22% of our revised FY26 orderbook replenishment assumption. Post job awards, the Group's orderbook now stands at RM669m, providing the Group with earnings visibility through FY28. This translates into an orderbook-to-cover ratio of 2.6x FY24 revenue.

Infrastructure expansion materialises ahead of plan. While GDB's entry into infrastructure was part of the Group's longer-term strategy, the move has come earlier than expected. Historically focused on West Malaysia, the Group's expansion into East Malaysia reflects management's efforts to strengthen its orderbook through diversification. The Group has an estimated tenderbook of RM1.4bn, with a further RM1.4bn of planned bid submissions by Q1 2026 across the warehouse, hospital, residential, commercial and mixed-use segments, which could lift the tenderbook to c.RM3bn. Following the establishment of its infrastructure subsidiary, we expect a higher flow of infrastructure-related bid submissions going forward.

Earnings Revision. We lowered our FY25–26F CNP forecasts by 4% and 9%, respectively, due to the absence of new job wins in FY25 versus our earlier orderbook replenishment assumption of RM705m. As such, our FY26F replenishment assumption is also revised down to RM550m (from RM705m).

Valuation & Recommendation. Post-earnings revision, we maintain our **BUY** call with a lower TP of RM0.48 (from RM0.53 previously), based on 8.0x FY26F EPS of 6.0 sen, supported by a three-star ESG rating. Despite the slower-than-expected job award momentum, we remain positive on GDB's prospects, underpinned by (i) **three major projects in its RM669m orderbook entering peak revenue recognition phases**, (ii) **potential new contract wins from a sizeable tenderbook**

expected to reach c.RM3bn by Q1 2026, and (iii) earlier-than-expected expansion into infrastructure.

Risks. Rising material prices, failure to secure new contracts, and risk of Liquidated Ascertained Damages (LAD).

Company Update

Tuesday, 03 Feb, 2026

Financial Highlights

Income Statement

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	510.1	319.6	258.2	765.0	673.9
Gross Profit	29.9	13.4	55.8	126.4	96.2
EBITDA	28.4	16.2	43.4	118.6	88.6
Depreciation & Amortisation	-6.5	-5.2	-3.4	-4.0	-3.4
EBIT	21.9	11.0	40.0	114.6	85.1
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
Pre-tax Profit	21.8	10.9	40.0	114.6	85.1
Tax	-5.6	-2.6	-13.3	-30.9	-23.3
Profit After Tax	16.2	8.3	26.7	83.7	61.8
(-) Minority Interest	-1.0	0.3	0.0	0.0	0.0
Net Profit	17.2	8.0	26.8	83.7	61.9
(-) Exceptionals	0.2	3.1	-9.9	0.0	0.0
Core Net Profit	17.0	5.0	36.7	83.7	61.9

Key Ratios

FYE Dec	FY22	FY23	FY24	FY25F	FY26F
Revenue Growth (%)	20.0%	-37.3%	-19.2%	196.3%	-11.9%
CNP Growth (%)	-43.2%	-70.8%	640.1%	128.0%	-26.1%
Core EPS (sen)	1.6	0.5	3.6	8.1	6.0
P/E (x)	25.5	87.4	11.8	5.2	7.0
P/B (x)	2.7	2.6	2.2	1.5	1.3
EV/EBITDA (x)	13.6	21.9	8.1	2.7	2.8
DPS (sen)	0.7	0.0	0.0	2.4	1.8
Dividend Yield (%)	1.7%	0.0%	0.0%	5.8%	4.3%
EBITDA margin (%)	5.6%	5.1%	16.8%	15.5%	13.1%
EBIT margin (%)	4.3%	3.4%	15.5%	15.0%	12.6%
PBT margin (%)	4.3%	3.4%	15.5%	15.0%	12.6%
PAT margin (%)	3.2%	2.6%	10.4%	10.9%	9.2%
NP margin (%)	3.4%	2.5%	10.4%	10.9%	9.2%
CNP margin (%)	3.3%	1.6%	14.2%	10.9%	9.2%
ROE (%)	10.6%	2.9%	18.7%	28.5%	18.4%
ROA (%)	4.6%	1.4%	9.8%	13.7%	9.8%
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 (RM m)*	0.0	9.0	902.0	705.0	550.0
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*Historical numbers reflect actual orderbook replenishment

Valuations

	FY26F
Core EPS (RM)	0.060
P/E multiple (x)	8.0
Fair Value (RM)	0.48
ESG premium/discount	0.0%
Implied Fair Value (RM)	0.48

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Cash	46.3	79.0	81.1	109.1	186.9
Receivables	184.2	151.7	153.4	261.7	230.5
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	117.4	100.4	123.5	225.4	198.5
Total Current Assets	347.9	331.1	358.1	596.2	616.0
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
Total Non-Current Assets	20.7	15.6	14.6	13.6	12.6
Short-term debt	0.0	0.0	0.0	0.0	0.0
Payables	200.4	157.1	161.7	297.4	269.0
Other current liabilities	6.7	20.4	15.0	18.6	22.4
Total Current Liabilities	207.0	177.5	176.7	316.0	291.4
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
Total Non-Current Liabilities	0.7	0.0	0.0	0.0	0.0
Shareholder's equity	160.4	168.4	195.2	293.0	336.3
Minority interest	0.5	0.8	0.8	0.8	0.8
Total Equity	160.9	169.3	196.0	293.8	337.1

Cash Flow

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Pre-tax profit	21.8	10.9	40.0	114.6	85.1
Depreciation & amortisation	6.5	5.2	3.4	4.0	3.4
Changes in working capital	-53.0	21.5	-45.5	-74.4	29.6
Others	-9.5	-7.5	2.2	-29.3	-22.2
Operating cash flow	-34.1	30.1	0.1	14.8	96.0
Net capex	-0.9	1.0	-0.4	-3.0	-2.4
Others	1.1	1.6	2.4	2.0	2.7
Investing cash flow	0.2	2.6	2.0	-1.0	0.3
Dividends paid	-6.6	0.0	0.0	-25.1	-18.6
Others	-7.4	7.3	0.8	39.3	0.0
Financing cash flow	-13.9	7.3	0.8	14.2	-18.6
Net cash flow	-47.8	40.0	2.9	28.0	77.7
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	100.0
Ending cash & cash equivalent	29.0	69.0	71.9	100.0	177.7
Fixed deposits with licensed banks	17.2	10.0	9.2	9.2	9.2
Total cash & deposits	46.3	79.0	81.1	109.1	186.9

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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(a) nil.