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## GDB Holdings Bhd

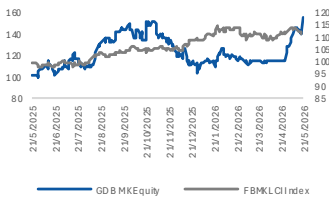
### Above Expectations

Recommendation:	BUY
Current Price:	RM0.51
Previous Target Price:	RM0.48
Target Price:	↑ RM0.57
Capital Upside/Downside:	11.8%
Dividend Yield (%):	3.5%
<b>Total Upside/Downside</b>	<b>15.2%</b>

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)	525.9
52-Week Price Range (RM)	0.525-0.32
Beta (x)	1.3
Freefloat (%)	55.5
3M Average Volume (m)	21.8
3M Average Value (RM' m)	8.4

Top 3 Shareholders	(%)
Young Andy Lai Wee	14.3
Cho Holdings Sdn Bhd	11.3
Lo Tzone Leong	11.3

#### Share Price Performance



	1M	3M	12M
Absolute (%)	36.0	32.5	54.5
Relative (%)	36.2	35.9	38.1

Earnings Summary			
FYE Dec	FY25	FY26F	FY27F
Revenue (RM'm)	748.1	727.9	649.2
PATAMI (RM'm)	54.3	70.2	60.9
CNP (RM'm)	106.2	70.2	60.9
EPS - core (sen)	10.3	6.8	5.9
P/E(x)	5.0	7.5	8.6

Source: Company, Apex Securities

- GDB's 1QFY26 CNP came in at RM21.5m (-41.1% QoQ, +8.6% YoY) after adjusting for for a RM0.1m gain on disposal of PPE. The results came above expectations, accounting for 35% of our full-year estimates.
- GDB's orderbook now stands at c.RM620m, providing earnings visibility until FY29.
- The Group's tenderbook is estimated at c.RM3.1bn, with RM2.6bn of additional bids planned for 2Q 2026.
- Maintain BUY recommendation with a higher TP of RM0.57 (from RM0.48), based on a higher target P/E multiple of 9.5x (from 8.0x) applied to rolled-forward FY27F EPS of 5.9 sen.

**Results above expectations.** After adjusting for a RM0.1m gain on disposal of PPE, GDB's 1QFY26 CNP came in at RM21.5m (-41.1% QoQ, +8.6% YoY). The results came above expectations, accounting for 35% of our full-year estimates.

**Dividend.** The Group declared a first interim dividend of 0.7 sen (ex-date: 8 Jun 2026).

**YoY.** 1QFY26 CNP rose 8.6%, in line with the 15.7% increase in revenue driven by higher work progress and contributions from its key projects, namely the KL International Hospital in Bukit Jalil, the Logistic Hub Plot B project in Shah Alam and the Metrohub 4 Logistic Hub project in Klang and road development works at Sarawak.

**QoQ.** CNP fell 41.1% due to lower revenue recognition in 1QFY26, as revenue declined 15.2% following the peak revenue recognition phase in the preceeding quarter for ongoing projects, namely the KL International Hospital (87% completed), the Logistic Hub Plot B project in Shah Alam (87% completed) and the Metrohub 4 Logistic Hub project in Klang (95% completed), all of which are slated for completion in CY26.

**Outlook.** GDB's orderbook now stands at c.RM620m, with its ongoing projects expected to provide earnings visibility through FY29. Meanwhile, its tenderbook remains healthy at c.RM3.1bn, with the Group preparing c.RM2.6bn worth of bids for submission by Q2 2026 across the warehouse, residential, commercial and mixed-use segments. Following its recent entry into the infrastructure space, we also expect additional infrastructure-related tender opportunities in East Malaysia to further support job replenishment and keep the Group busy over the medium term. As such, we raise our annual orderbook replenishment assumption to RM900m from our previously conservative assumption of RM550m.

**Earnings Revision.** Following the earnings beat, we raise our FY26F-27F CNP forecasts by 13% and 57%, respectively, after increasing our annual orderbook replenishment assumption to RM900m from RM550m previously. We also introduce FY28F CNP of RM54.8m.

**Valuation and Recommendation.** We maintain our **BUY** recommendation with a higher TP of RM0.57 (from RM0.48), based on a higher target P/E multiple of 9.5x (from 8.0x) applied to rolled-forward FY27F EPS of 5.9 sen. The assigned multiple is in line with the weighted average forward P/E of its peers. We remain positive on GDB's prospects, underpinned by **(i) its RM620m orderbook providing earnings visibility until FY29, (ii) a sizeable tenderbook expected to reach c.RM6bn by Q2 2026, and (iii) its latest venture into infrastructure and property development.**

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

## Peers Comparison

Company	Market Cap	Share Price as at 21May26	Target Price (RM'm)	Potential Upside	FY26	P/E (x) FY27	Dividend Yield (%)	ESG Rating
GDB Holdings Bhd	525.9	0.51	0.57	11.8%	7.5	8.6	2.7	★★★
Kerjaya Prospek Group Bhd	2627.8	2.09	3.10	48.3%	11.7	10.2	6.2	★★★
Mitrajaya Holdings Bhd	524.5	0.72	1.27	76.4%	3.2	2.4	4.2	★★★
Lim Seong Hai Capital Bhd*	1500.7	1.79	3.10	73.2%	11.6	8.5	2.3	N/A
Binastra Corporation Bhd*	2063.0	1.89	2.76	46.0%	15.8	11.7	1.9	N/A
Inta Bina Group Bhd*	237.1	0.38	0.73	92.1%	5.2	4.3	3.9	N/A
<b>Simple Average (Ex-GDB Holdings Bhd)</b>					<b>9.5</b>	<b>7.4</b>	<b>3.7</b>	
<b>Weighted Average (Ex-GDB Holdings Bhd)</b>					<b>12.0</b>	<b>9.5</b>	<b>3.8</b>	

\*Forecast data denotes Bloomberg consensus estimates

Source: Bloomberg, Apex Securities

# Results Note

Friday, 22 May, 2026

## Results Comparison

FYE Dec (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)	Comments
Revenue	169.0	146.0	15.7	199.2	(15.2)	169.0	146.0	15.7	
COGS	(136.5)	(118.1)	15.6	(163.7)	(16.7)	(136.5)	(118.1)	15.6	
Gross Profit	32.5	28.0	16.2	35.5	(8.5)	32.5	28.0	16.2	
Other Income	2.3	1.9	22.6	2.6	(11.3)	2.3	1.9	22.6	
Administrative Expenses	(6.2)	(3.2)	95.0	(2.7)	131.9	(6.2)	(3.2)	95.0	
Other Expenses	-	-	-	-	-	-	-	-	
<b>Core EBITDA</b>	<b>28.6</b>	<b>26.7</b>	<b>7.3</b>	<b>35.4</b>	<b>(19.3)</b>	<b>28.6</b>	<b>26.7</b>	<b>7.3</b>	
Depreciation	(0.2)	(0.2)	(9.4)	(0.2)	(11.2)	(0.2)	(0.2)	(9.4)	
<b>Core EBIT</b>	<b>28.4</b>	<b>26.5</b>	<b>7.5</b>	<b>35.2</b>	<b>(19.3)</b>	<b>28.4</b>	<b>26.5</b>	<b>7.5</b>	
Others	-	-	-	(38.5)	(100.0)	-	-	-	
Finance Costs	-	-	-	-	-	-	-	-	
<b>Pre-tax profit</b>	<b>28.4</b>	<b>26.5</b>	<b>7.5</b>	<b>(3.3)</b>	<i>nm</i>	<b>28.4</b>	<b>26.5</b>	<b>7.5</b>	
Tax	(6.9)	(6.6)	4.9	1.3	<i>nm</i>	(6.9)	(6.6)	4.9	
<b>Profit After Tax</b>	<b>21.5</b>	<b>19.9</b>	<b>8.3</b>	<b>(1.9)</b>	<i>nm</i>	<b>21.5</b>	<b>19.9</b>	<b>8.3</b>	
(-) Minority Interest	(0.0)	0.1	<i>nm</i>	0.1	<i>nm</i>	(0.0)	0.1	<i>nm</i>	
<b>Net Profit</b>	<b>21.5</b>	<b>19.8</b>	<b>8.8</b>	<b>(2.0)</b>	<i>nm</i>	<b>21.5</b>	<b>19.8</b>	<b>8.8</b>	
<b>Core Net Profit</b>	<b>21.5</b>	<b>19.8</b>	<b>8.6</b>	<b>36.5</b>	<b>(41.1)</b>	<b>21.5</b>	<b>19.8</b>	<b>8.6</b>	
Core EPS (sen)	2.1	1.9	8.6	3.5	(41.1)	2.1	1.9	8.6	
Gross profit margin (%)	19.2	19.1		17.8		19.2	19.1		
Core EBIT margin (%)	16.8	18.1		17.7		16.8	18.1		
PBT margin (%)	16.8	18.1		(1.6)		16.8	18.1		
Effective tax rate (%)	24.2	24.8		40.9		24.2	24.8		
Core net profit margin (%)	12.7	13.5		18.3		12.7	13.5		

Source: Company, Apex Securities

# Results Note

Friday, 22 May, 2026

## Financial Highlights

### Income Statement

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
<b>Revenue</b>	<b>258.2</b>	<b>748.1</b>	<b>727.9</b>	<b>649.2</b>	<b>609.9</b>
<b>Gross Profit</b>	<b>55.8</b>	<b>125.7</b>	<b>103.1</b>	<b>90.2</b>	<b>82.7</b>
<b>EBITDA</b>	<b>43.4</b>	<b>122.3</b>	<b>98.6</b>	<b>86.5</b>	<b>78.8</b>
Depreciation & Amortisation	-3.4	-1.2	-3.6	-3.9	-3.9
<b>EBIT</b>	<b>40.0</b>	<b>121.0</b>	<b>95.0</b>	<b>82.6</b>	<b>74.9</b>
Net Finance Income/(Cost)	0.0	0.0	0.0	0.0	0.0
Associates & JV	0.0	0.0	0.0	0.0	1.0
<b>Pre-tax Profit</b>	<b>40.0</b>	<b>69.1</b>	<b>95.0</b>	<b>82.6</b>	<b>74.9</b>
Tax	-13.3	-14.7	-24.6	-21.5	-19.9
<b>Profit After Tax</b>	<b>26.7</b>	<b>54.4</b>	<b>70.4</b>	<b>61.1</b>	<b>55.0</b>
(-) Minority Interest	0.0	0.2	0.2	0.2	0.2
<b>Net Profit</b>	<b>26.8</b>	<b>54.3</b>	<b>70.2</b>	<b>60.9</b>	<b>54.8</b>
(-) Exceptionals	-9.9	-51.9	0.0	0.0	0.0
<b>Core Net Profit</b>	<b>36.7</b>	<b>106.2</b>	<b>70.2</b>	<b>60.9</b>	<b>54.8</b>

### Key Ratios

FYE Dec	FY24	FY25	FY26F	FY27F	FY28F
Revenue Growth (%)	-19.2%	189.7%	-2.7%	-10.8%	-6.0%
CNP Growth (%)	640.1%	189.4%	-33.9%	-13.2%	-10.0%
Core EPS (sen)	3.6	10.3	6.8	5.9	5.3
PE (x)	14.3	5.0	7.5	8.6	9.6
PB (x)	2.7	1.9	1.6	1.4	1.3
EV/EBITDA (x)	10.3	2.7	3.6	3.5	6.7
DPS (sen)	0.0	1.0	2.0	1.8	1.6
Dividend Yield (%)	0.0%	2.0%	4.0%	3.5%	3.1%
EBITDA margin (%)	16.8%	16.3%	13.5%	13.3%	12.9%
EBIT margin (%)	15.5%	16.2%	13.1%	12.7%	12.3%
PBT margin (%)	15.5%	9.2%	13.1%	12.7%	12.3%
PAT margin (%)	10.4%	7.3%	9.7%	9.4%	9.0%
NP margin (%)	10.4%	7.3%	9.6%	9.4%	9.0%
CNP margin (%)	14.2%	14.2%	9.6%	9.4%	9.0%
ROE (%)	18.7%	38.8%	21.7%	16.7%	13.6%
ROA (%)	9.8%	21.9%	13.3%	11.0%	9.3%
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)*	902.0	0.0	900.0	900.0	900.0
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\*Historical numbers reflect actual orderbook replenishment

Valuations	FY27F
Core EPS (RM)	0.059
PE multiple (x)	9.5
<b>Fair Value (RM)</b>	<b>0.57</b>
ESG premium/discount	0.0%
<b>Implied Fair Value (RM)</b>	<b>0.57</b>

Source: Company, Apex Securities

### Balance Sheet

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash	81.1	201.0	173.7	228.0	273.8
Receivables	153.4	100.4	97.7	87.2	81.9
Inventories	0.0	1.0	2.0	3.0	4.0
Other current assets	123.5	162.8	158.4	141.3	132.7
<b>Total Current Assets</b>	<b>358.1</b>	<b>469.3</b>	<b>510.6</b>	<b>537.3</b>	<b>569.2</b>
Fixed Assets	14.6	16.4	16.2	16.6	17.8
Intangibles	0.0	1.0	2.0	3.0	4.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
<b>Total Non-Current Assets</b>	<b>14.6</b>	<b>16.4</b>	<b>16.2</b>	<b>16.6</b>	<b>17.8</b>
Short-term debt	0.0	0.0	0.0	0.0	0.0
Payables	161.7	185.2	185.9	166.3	156.8
Other current liabilities	15.0	27.1	18.1	21.9	25.9
<b>Total Current Liabilities</b>	<b>176.7</b>	<b>212.2</b>	<b>204.0</b>	<b>188.2</b>	<b>182.8</b>
Long-term debt	0.0	0.0	0.0	0.0	0.0
Other non-current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Total Non-Current Liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Shareholder's equity	195.2	272.5	321.7	364.3	402.7
Minority interest	0.8	1.0	1.2	1.3	1.5
<b>Total Equity</b>	<b>196.0</b>	<b>273.5</b>	<b>322.8</b>	<b>365.7</b>	<b>404.2</b>

### Cash Flow

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
<b>Pre-tax profit</b>	<b>40.0</b>	<b>69.1</b>	<b>95.0</b>	<b>82.6</b>	<b>74.9</b>
Depreciation & amortisation	3.4	3.8	3.6	3.9	3.9
Changes in working capital	-43.5	-1.8	-5.2	8.1	4.4
Others	2.2	33.3	-24.9	-23.2	-21.8
<b>Operating cash flow</b>	<b>2.1</b>	<b>104.4</b>	<b>68.6</b>	<b>71.4</b>	<b>61.4</b>
Net capex	-2.4	-5.5	-3.4	-4.3	-5.0
Others	2.4	3.0	4.3	5.5	5.9
<b>Investing cash flow</b>	<b>0.0</b>	<b>-2.5</b>	<b>0.9</b>	<b>1.2</b>	<b>0.9</b>
Dividends paid	0.0	-15.9	-21.1	-18.3	-16.4
Others	0.8	21.9	0.0	0.0	0.0
<b>Financing cash flow</b>	<b>0.8</b>	<b>5.9</b>	<b>-21.1</b>	<b>-18.3</b>	<b>-16.4</b>
<b>Net cash flow</b>	<b>2.9</b>	<b>107.8</b>	<b>48.4</b>	<b>54.3</b>	<b>45.8</b>
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	69.0	66.9	99.0	147.4	201.7
Ending cash & cash equivalent	71.9	174.7	147.4	201.7	247.5
Fixed deposits with licensed banks	9.2	26.3	26.3	26.3	26.3
Placement in short-term investment	5.0	75.8	0.0	0.0	0.0
<b>Total cash &amp; deposits</b>	<b>81.1</b>	<b>201.0</b>	<b>173.7</b>	<b>228.0</b>	<b>273.8</b>

## ESG Matrix Framework:

### Environment

Parameters	Rating	Comments
Climate	★★	Scope 1 emissions increased to 2,838.43 tCO <sub>2</sub> e (FY24: 1,833.81 tCO <sub>2</sub> e), while Scope 2 emissions rose to 1,983.45 tCO <sub>2</sub> e (FY2024: 482.14 tCO <sub>2</sub> e), in line with higher fuel consumption and electricity usage across active project sites. For Scope 3, emissions increased to 1,528.72 tCO <sub>2</sub> e in FY2025 (FY24: 1,254.83 tCO <sub>2</sub> e), reflecting increased workforce activity levels.
Waste & Effluent	★★★	Recycled 66% of waste generated in FY25, an improvement of 8% from FY24.
Energy	★★	Total energy consumption stood at 50,858.33 GJ in FY25, a 121% increase from 23,050.44 GJ in FY24.
Water	★★	Total water consumption increased to 75,031 m <sup>3</sup> in FY25, a 40% increase from 53,683 m <sup>3</sup> in FY24.
Compliance	★★★	In compliance with local environmental regulations.

### Social

Diversity	★★	Male-dominated workforce, 74% male and 26% female composition.
Human Rights	★★★	0 human rights violations and incidence of non-compliance with regards to labour matters recorded in FY25.
Occupational Safety and Health	★★★	0 lost time incidents and fatality recorded in FY25.
Labour Practices	★★★	Meets the standards mandated by the Workers' Minimum Standards of Housing, Accommodations, and Amenities (Amendment) Act 2019.

### Governance

CSR Strategy	★★★	The Group contributed RM20,206 towards upgrading works at SJKC Soo Jin in Pekan Kapar, the UOB Heartbeat Run fundraiser organised in partnership with the SOLS Foundation, as well as community activities organised by Persatuan Penganut Dewa Lin San Kuala Lumpur and Bomba Klang in conjunction with its Hari Raya celebration event.
Management	★★★	1/8 female board composition, 3/8 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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As of Friday, 22 May, 2026, 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.