

Research Team
(603) 7890 8888

research@apexsecurities.com.my

Recommendation:	BUY
Current Price:	RM 0.74
Previous Target Price:	RM 1.27
Target Price:	RM 1.27
Capital Upside/ Downside:	71.6%
Dividend Yield (%):	4.1%
Total Upside/ Downside	75.7%

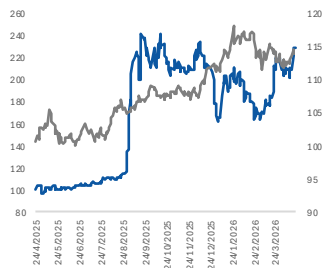
Stock information

Board	MAIN
Sector	Construction
Bursa / Bloomberg Code	9571/ MHB MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	728.4
Market Cap (RM' m)	539.0
52-Week Price Range (RM)	0.81-0.315
Beta (x)	1.0
Free float (%)	32.0
3M Average Volume (m)	0.8
3M Average Value (RM' m)	0.6

Top 3 Shareholders (%)

Mitrajaya Trading Sdn Bhd	38.7
Tan Eng Piow	12.4
Oversea-Chinese Banking Corp Ltd	4.1

Share Price Performance vs KLCI



	1M	3M	12M
Absolute (%)	7.2	13.8	127.7
Relative (%)	8.0	16.0	104.5

Earnings Summary	FY25	FY26F	FY27F
Revenue (RM'm)	808.5	1138.9	1522.4
PATAMI (RM'm)	81.8	126.6	170.1
CNP (RM'm)	94.2	137.0	180.5
EPS - core (sen)	12.9	18.8	24.8
P/E(x)	4.6	3.2	2.4

Mitrajaya Holdings Berhad

In-Line 1QFY26, Growth Outlook Remains Intact

- **MITRA registered 1QFY26 core net profit (CNP) of RM18m (+8.2% YoY; -25.2% QoQ). This is in line with our (13.2%) expectations.**
- **CNP rose 8.2% YoY on stronger Construction revenue, but declined 25.4% QoQ due to slower work recognition, while Property Development reported lower unit sales.**
- **MITRA's outlook remains favourable, supported by stronger FY26 revenue recognition, strategic data centre exposure, its RM696.4m order book, and RM1.4bn average annual order book replenishment driving earnings growth through FY26F–FY28F.**
- **Maintain BUY with an unchanged TP of RM1.27, based on sum-of-parts valuation alongside a three-star ESG rating.**

Results within expectations. MITRA reported 1QFY26 CNP of RM18m (+8.2% YoY; -25.2% QoQ) representing 13.2% of our full year forecast. This is in line with our expectations given more public holidays during the period and with the Group's historical revenue being typically skewed towards 2H of the calendar year. CNP was derived after excluding the following items:

- Bad debts and PPE written off: RM0.008m
- Gain on disposal of PPE: -RM0.466m
- Provisions for onerous contracts and liquidated ascertained damages: RM11.947m
- Unrealised (loss)/gain from currency movements: RM0.195

YoY. CNP rose 8.2% YoY, driven by stronger revenue contribution from the Construction segment. Construction revenue more than doubled, rising 101.9% YoY to RM224.2m, although PBT margin narrowed to 4.4% from 8.7% in 1QFY25. Meanwhile, Property Development revenue declined 83.2% YoY to RM3.1m, mainly due to lower unit sales from ongoing projects, while segmental PBT margin improved to 17.7% from 15.7%.

QoQ. CNP declined 25.4% QoQ, mainly due to slower work recognition in the Construction segment. Construction revenue fell 16.7% QoQ, while PBT margin compressed to 4.4% from 10.7%. Property Development revenue declined 88.9% QoQ, with PBT margin falling to 17.7% from 39.2%, reflecting weaker unit sales during the quarter.

Outlook. We continue to view MITRA favourably, with topline growth supported by stronger revenue recognition as FY26 progresses, underpinned by the Construction segment, its strategic data centre project exposure, and RM696.4m order book. While 1QFY26 earnings were seasonally softer due to public holidays and the Group's typically weaker revenue recognition in 1H, MITRA's exposure to NEXTDC's KL1 hyperscale data centre project should support earnings through FY26–FY27, alongside potentially higher margins from data centre works. Regarding margin pressures from the current macroeconomic environment, management believes these risks can be partly mitigated through disciplined tendering, prudent pricing, and cost controls. Overall, we continue to expect sustained earnings growth over FY26F–FY28F, supported by progressive order book execution and average annual order book replenishment of RM1.4bn.

Valuation. Maintain our **BUY** rating on MITRA with an unchanged TP of **RM1.27**, based on a sum-of-parts valuation alongside a three-star ESG rating.

Risks. Margin compression from rising input and labour costs, cash flow volatility from working capital requirements, and execution and concentration risk from large projects.

Financial Highlights

Income Statement

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	372.8	808.5	1,138.9	1,522.4	1,639.9
EBITDA	38.4	136.2	198.4	272.5	300.7
Depreciation & Amortisation	(13.5)	(31.4)	(32.0)	(48.3)	(68.2)
EBIT	25.0	104.8	166.4	224.3	232.5
Net Finance Income/ (Cost)	(1.8)	0.6	0.2	(0.4)	2.7
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	23.1	105.4	166.6	223.8	235.2
Tax	(2.3)	(23.6)	(40.0)	(53.7)	(56.4)
Profit After Tax	20.8	81.8	126.6	170.1	178.8
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Profit	20.8	81.8	126.6	170.1	178.8
Exceptionals	13.6	12.4	10.4	10.4	10.4
Core Net Profit	34.4	94.2	137.0	180.5	189.2

Key Ratios

FYE Dec	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	4.7	12.9	18.8	24.8	26.0
P/E (x)	12.7	4.6	3.2	2.4	2.3
P/B (x)	0.6	0.5	0.5	0.4	0.3
EV/EBITDA (x)	15.3	3.8	2.7	1.8	1.4
DPS (sen)	0.98	1.01	3.04	3.09	3.77
Dividend Yield (%)	1.6%	1.7%	5.1%	5.2%	6.3%
EBITDA margin (%)	10.3%	16.9%	17.4%	17.9%	18.3%
EBIT margin (%)	6.7%	13.0%	14.6%	14.7%	14.2%
PBT margin (%)	6.2%	13.0%	14.6%	14.7%	14.3%
PAT margin (%)	5.6%	10.1%	11.1%	11.2%	10.9%
NP margin (%)	5.6%	10.1%	11.1%	11.2%	10.9%
CNP margin (%)	9.2%	11.7%	12.0%	11.9%	11.5%
ROE (%)	4.4%	11.1%	14.3%	16.4%	15.1%
ROA (%)	3.3%	8.2%	9.7%	10.7%	10.1%
Gearing (%)	9.2%	1.0%	3.0%	0.9%	0.0%
Net gearing (%)	7.9%	Net Cash	2.1%	Net Cash	Net Cash

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Average orderbook replenishment	-	-	1,400.0	1,400.0	1,400.0

Valuation	Valuation Method	Equity Value
Construction Segment	6.45x FY27F PER	735.5
Property Segment	50% discount to RNAV @ 10.6% CoE	198.8
SOP Value		934.3
Issued Shares (m)		728.4
Fair Value (RM)		1.27
ESG premium discount		0%
Implied Fair Value (RM)		1.27

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash	10.5	14.5	9.0	37.6	112.5
Receivables	208.6	290.5	409.3	547.1	587.7
Inventories	283.6	293.0	293.0	293.0	293.0
Other current assets	66.6	90.6	184.6	226.6	226.8
Total Current Assets	569.3	688.7	895.9	1,104.2	1,220.0
Fixed Assets	97.9	101.2	152.7	215.8	285.4
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	377.7	360.2	360.2	360.2	360.2
Total Non-current assets	475.6	461.4	512.9	576.0	645.5
Short-term Debt	72.3	8.2	28.8	10.0	0.0
Payables	134.1	225.3	311.2	415.2	443.8
Other Current Liabilities	48.8	61.6	101.9	131.0	134.3
Total Current Liabilities	255.2	295.2	441.9	556.2	578.1
Long-term Debt	0.2	0.0	0.0	0.0	0.0
Other non-current liabilities	3.9	3.0	10.6	20.1	32.3
Total Non-current Liabilities	4.1	3.0	10.6	20.1	32.3
Shareholder's equity	697.4	765.5	869.9	1,017.5	1,168.8
Minority interest	88.1	86.4	86.4	86.4	86.4
Equity	785.5	851.9	956.3	1,103.9	1,255.2

Cash Flow

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	23.1	105.4	166.6	223.8	235.2
Depreciation & amortisation	13.5	31.4	32.0	48.3	68.2
Changes in working capital	(53.4)	0.2	(86.6)	(46.7)	(8.9)
Others	1.7	(7.5)	(32.6)	(43.7)	(47.0)
Operating cash flow	(15.1)	129.5	79.4	181.7	247.5
Net capex	(41.1)	(35.3)	(83.5)	(111.4)	(137.8)
Others	5.0	(6.9)	1.2	0.7	3.0
Investing cash flow	(36.1)	(42.3)	(82.3)	(110.7)	(134.8)
Changes in borrowings	47.7	(64.0)	20.6	(18.8)	(10.0)
Issuance of shares	(0.2)	(9.3)	0.0	0.0	0.0
Dividends paid	(7.6)	(7.4)	(22.2)	(22.5)	(27.5)
Others	(2.5)	(3.1)	(1.0)	(1.2)	(0.3)
Financing cash flow	37.3	(83.8)	(2.6)	(42.4)	(37.8)
Net cash flow	(13.9)	3.5	(5.5)	28.6	74.9
Forex	0.0	1.0	0.0	0.0	0.0
Others	0.5	(0.5)	0.0	0.0	0.0
Beginning cash	23.9	10.5	14.5	9.0	37.6
Ending cash	10.5	14.5	9.0	37.6	112.5

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	The Group's total Scope 1 carbon emissions for 2025 were 9,742 metric tonnes .
Waste & Effluent	★★★	In 2025, the Group expanded its construction wastage monitoring scope to include BRC Sheets and BRC Sheets (cut in size) alongside existing materials like steel bars and concrete.
Energy	★★★	Total energy consumption for the Group in 2025 was 39,826.68 Megawatt hours .
Water	★★★	Mitrajaya used a total volume of 101.10 Megalitres of water across its operations in 2025.
Compliance	★★★	The Group maintained a track record of zero fines or penalties for non-compliance with environmental laws and regulations.

Social

Diversity	★★	The Board of Directors includes two female members out of a total of eight directors.
Human Rights	★★★	The Group identifies " Labour Practices and Human Rights " as a material sustainability matter within its materiality assessment framework.
Occupational Safety and Health	★★★	The Kedah Science and Technology Park (KSTP) Phase 2A project achieved a near-perfect SHASSIC® score of 96.75% , earning it a 5-Star Award from CIDB Malaysia.
Labour Practices	★★★	Mitrajaya ensures that its foreign workers' housing is compliant with Act 446 (Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990)

Governance

CSR Strategy	★★★	The Group's CSR initiatives are frequently aligned with festive seasons , focusing on key areas such as education, healthcare, and social welfare for local communities
Management	★★★	Sustainability strategy and implementation are driven by a Sustainability Committee led by an Executive Director
Stakeholders	★★★	Significant stakeholders, including customers, employees, and government agencies , are identified and prioritized through a matrix based on their influence and interdependence with the organization

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 **Tuesday, 26 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.