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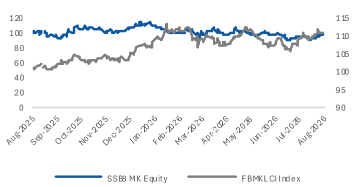
Recommendation:		BUY
Current Price:		RM 0.56
Previous Target Price:		RM 0.78
Target Price:	↔	RM 0.78
Capital Upside/Downside:		39.3%
Dividend Yield (%):		1.8%
Total Upside/Downside:		41.0%

Stock information

Board	ACE
Sector	Construction
Bursa / Bloomberg Code	0045/SSB8 MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	2,272.6
Market Cap (RM' m)	1,272.7
52-Week Price Range (RM)	0.495-0.645
Beta (x)	1.1
Free float (%)	26.5
3M Average Volume (m)	1.3
3M Average Value (RM' m)	0.7

Top 3 Shareholders	(%)
Super Advantage Property Sdn Bhd	43.4
Gan Yee Hin	14.2
Urusharta Jamaah Sdn Bhd	3.9

Share Price Performance



	1M	3M	12M
Absolute (%)	4.7	0.0	-1.8
Relative (%)	2.1	0.3	-10.5

Earnings summary

FYE Jun (RM m)	FY26F	FY27F	FY28F
Revenue (RM'm)	465.3	526.9	583.7
PATAMI (RM'm)	72.0	99.7	110.2
CNP (RM'm)	72.0	99.7	110.2
EPS - core (sen)	3.2	4.4	4.8
P/E (x)	17.7	12.8	11.6

Southern Score Builders Bhd

Second Data Centre Win in a Week Lifts FY27 Momentum Further

- **SSB8 secured a RM105m data centre subcontract at Puncak Alam, Selangor, through its 51%-owned subsidiary, SJEE Engineering Sdn Bhd.**
- **Assuming an 18% net profit margin, the contract is expected to contribute c.RM9.6m in PAT (or c.9.6% of FY27F PAT) over FY27F-FY28F.**
- **With this contract win, the Group's outstanding orderbook now stands at c.RM590.7m, providing solid revenue visibility equivalent to a book-to-bill ratio of 1.1x FY27F revenue.**
- **Maintain our BUY recommendation on SSB8 with an unchanged TP of RM0.78, based on unchanged 17.6x P/E multiple applied to FY27F EPS of 4.4 sen.**

Secures RM105m Data Centre Contract. SSB8, through its 51%-owned subsidiary, SJEE Engineering Sdn Bhd ("SJEE"), has accepted a letter of award from a local construction company to undertake a Subcontract Works Electrical Package 3 (MV02 & MV03) for a data centre project located at Puncak Alam, Selangor, at a total subcontract sum of RM105m. The project commenced on 21 July 2026 and is expected to complete by 14 October 2027, a c.15-month execution window falling within FY27 and FY28. This is the Group's second data centre contract announcement within a single week, following the RM146.5m award on 6 August 2026.

Our View. We view this award **positively**, as it introduces an additional revenue stream over FY27 and FY28 while strengthening the Group's orderbook. This is the Group's fifth data centre job secured in 2026, taking cumulative wins for the year to RM488.0m, and notably its second data centre win within a single week — a further sign of sustained momentum in SJEE's order intake rather than a one-off event. Assuming an estimated 18% net profit margin and accounting for the Group's 51% effective stake in SJEE, we estimate the contract will contribute c.RM9.6m in PAT over its duration, or c.9.6% of our FY27F PAT. Given SJEE's established delivery record on comparable high-specification digital infrastructure works, we view execution risk as manageable, though management's own comment that its expanded team already has its "hands full" is a reminder that talent pool growth needs to keep pace with the orderbook to avoid delivery bottlenecks.

Outlook. With this Contract and the RM146.5m contract announced on 6 August 2026, the Group's outstanding orderbook rises to c.RM590.7m, extending earnings visibility well into FY28. The tender pipeline remains healthy, with structural demand for data centres in Malaysia continuing unabated. We remain constructive on the Group's orderbook replenishment prospects, supported by expanding data centre opportunities and recurring project flows from related parties. Malaysia remains one of the fastest-growing data centre markets in Southeast Asia, with sustained capex from hyperscalers and cloud service providers continuing to underpin demand for specialised M&E fit-out works. SJEE's track record of nine contract wins since June 2025 suggests the Group is capturing a growing share of this opportunity set, aided by its BIM capabilities and demonstrated execution on high-specification digital infrastructure.

Earnings Revision. No change to our earnings revision as this award falls within our orderbook replenishment assumption for FY27F of RM500m. Notably, these two data centre wins alone, RM146.5m and RM105.0m totalling RM251.5m, were secured within the first six weeks of FY27F and already account for c.50% of that full-year assumption, reinforcing our confidence that the Group is tracking well ahead of a typical replenishment pace.

Valuation & Recommendation. We maintain our **BUY** recommendation on SSB8 with an unchanged TP of **RM0.78,** based on unchanged 17.6x P/E multiple applied to a FY27F EPS of **4.4 sen**, alongside a three-star ESG rating.

Risks. Rising material costs, labour shortages and oversupply of high-rise residential projects in the Klang Valley area.

Financial Highlights

Income Statement

FYE Jun (RM m)	FY25	FY26F	FY27F	FY28F	FY29F
Revenue	**221.1**	**465.3**	**526.9**	**583.7**	**627.3**
Gross Profit	**71.1**	**134.7**	**178.8**	**197.3**	**211.0**
EBITDA	**58.5**	**118.4**	**163.0**	**179.8**	**192.1**
Depreciation & Amortisation	0.6	2.3	2.6	2.9	3.1
EBIT	**57.9**	**116.1**	**160.3**	**176.9**	**189.0**
Net Finance Income/ (Cost)	-1.2	-0.9	-0.8	-0.5	-0.2
Associates & JV	0.0	0.0	0.0	0.0	0.0
Other Income/(Cost)	1.3	0.0	0.0	0.0	0.0
Pre-tax Profit	**58.0**	**115.3**	**159.6**	**176.4**	**188.8**
Tax	-14.3	-27.7	-38.3	-42.3	-45.3
Profit After Tax	**43.7**	**87.6**	**121.3**	**134.1**	**143.5**
Minority Interest	-3.5	-15.6	-21.5	-23.9	0.0
Net Profit	**40.2**	**72.0**	**99.7**	**110.2**	**143.5**
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	**40.2**	**72.0**	**99.7**	**110.2**	**143.5**

Key Ratios

FYE Jun (RM m)	FY25	FY26F	FY27F	FY28F	FY29F
EPS (sen)	1.8	3.2	4.4	4.8	6.3
P/E (x)	30.8	17.2	12.4	11.2	8.6
P/B (x)	6.7	5.1	3.4	2.4	2.0
EV/EBITDA (x)	20.8	10.4	7.2	6.0	5.1
DPS (sen)	1.5	0.9	1.0	1.0	1.3
Dividend Yield (%)	2.7%	1.7%	1.8%	1.8%	2.3%
EBITDA margin (%)	26.5%	25.5%	30.9%	30.8%	30.6%
EBIT margin (%)	26.2%	25.0%	30.4%	30.3%	30.1%
PBT margin (%)	26.2%	24.8%	30.3%	30.2%	30.1%
PAT margin (%)	19.8%	18.8%	23.0%	23.0%	22.9%
NP margin (%)	18.2%	15.5%	18.9%	18.9%	22.9%
CNP margin (%)	18.2%	15.5%	18.9%	18.9%	22.9%
ROE (%)	21.6%	29.4%	27.0%	21.6%	22.9%
ROA (%)	13.0%	16.7%	17.8%	15.4%	17.0%
Gearing (%)	6.5%	4.7%	2.0%	0.6%	0.0%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

FYE Jun (RM m)	FY27F	FY28F	FY29F
Expected order book replenishment	500.0	500.0	600.0

Valuations	FY27F
Core EPS (sen)	4.4
P/E multiple (x)	17.6
Fair Value (RM)	**0.78**
ESG premium/discount	0.0%
Implied Fair Value (RM)	**0.78**

Source: Company, Apex Securities

Balance Sheet

FYE Jun (RM m)	FY25	FY26F	FY27F	FY28F	FY29F
Cash	43.7	43.0	123.7	234.4	327.5
Receivables	246.8	348.9	395.2	437.8	470.5
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.1	0.1	0.1	0.1	0.1
Total Current Assets	**290.7**	**392.0**	**519.0**	**672.3**	**798.1**
Fixed Assets	2.0	22.9	25.6	28.5	31.6
Intangibles	15.4	15.4	15.4	15.4	15.4
Other non-current assets	0.2	0.2	0.2	0.2	0.2
Total Non-Current Assets	**17.7**	**38.6**	**41.3**	**44.2**	**47.3**
Short-term debt	12.2	11.4	7.3	3.0	0.0
Payables	103.7	163.7	172.3	191.3	206.1
Other current liabilities	6.4	10.3	10.8	12.0	12.9
Total Current Liabilities	**122.3**	**185.4**	**190.4**	**206.3**	**219.0**
Long-term debt	0.0	0.0	0.0	0.0	0.0
Other non-current liabilities	0.2	0.2	0.2	0.2	0.2
Total Non-Current Liabilities	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**
Shareholder's equity	175.2	218.8	321.8	438.2	554.4
Minority interest	10.7	26.3	47.9	71.8	71.8
Total Equity	**185.9**	**245.1**	**369.7**	**510.0**	**626.2**

Cash Flow

FYE Jun (RM m)	FY25	FY26F	FY27F	FY28F	FY29F
Pre-tax profit	**58.0**	**115.3**	**159.6**	**176.4**	**188.8**
Depreciation & amortisation	0.6	2.3	2.6	2.9	3.1
Changes in working capital	-27.5	-38.3	-37.1	-22.5	-16.9
Others	-9.9	-14.5	-12.5	-14.1	-21.4
Operating cash flow	**21.3**	**64.8**	**112.6**	**142.8**	**153.6**
Net capex	-0.2	-23.3	-5.3	-5.8	-6.3
Others	-15.5	-20.0	0.0	0.0	0.0
Investing cash flow	**-15.7**	**-43.3**	**-5.3**	**-5.8**	**-6.3**
Dividends paid	-22.7	-21.6	-22.4	-22.0	-28.7
Others	-0.6	-0.7	-4.1	-4.3	-25.6
Financing cash flow	**-23.4**	**-22.3**	**-26.6**	**-26.3**	**-54.3**
Net cash flow	**-17.8**	**-0.8**	**80.8**	**110.7**	**93.1**
Forex	0.0	0.0	0.0	0.0	0.0
Others	-2.7	0.0	0.0	0.0	0.0
Beginning cash	67.8	43.7	43.0	123.7	234.4
Ending cash	**47.2**	**43.0**	**123.7**	**234.4**	**327.5**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Adopted HVAC air conditioning unit and LED lighting, used low-carbon alternatives for construction materials.
Waste & Effluent	★★★	Implementing cut-to-size rebar and BRC to minimise waste.
Energy	★★★	Embracing solar power, including solar powered lighting at selected construction sites to reduce reliance on fossil fuels.
Water	★★★	Focused on monitoring and reducing wastage across project sites and offices.
Compliance	★★★	In compliance with local environmental regulations.

Social

Diversity	★★★	Male-dominated workforce, 54% male and 46% female composition for office-based employees.
Human Rights	★★★	Received zero (0) reported cases of discrimination or human rights violations in FY25.
Occupational Safety and Health	★★★	Equips all personnel with essential personal protective equipment in its workplace.
Labour Practices	★★★	Complies with Employment (Amendment) Act 2022, the Minimum Wage Order 2024, and the National Wages Consultative Council (Amendment) Act 2025.

Governance

CSR Strategy	★★★	Complies with principles and practices set out in the Malaysian Code on Corporate Governance (MCCG).
Management	★★★	4/8 female board composition, 4/8 Independent Directors.
Shareholders	★★★	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.