

Research Team

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Recommendation:	BUY
Current Price:	RM 0.79
Previous Target Price:	RM 0.96
Target Price:	↔ RM 0.96
Capital Upside/ Downside:	21.5%
Dividend Yield (%):	1.3%
Total Upside/ Downside:	22.8%

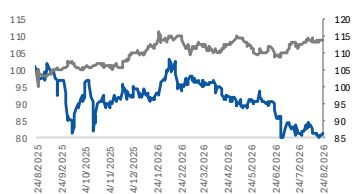
Stock information

Board	MAIN
Sector	Property
Bursa / Bloomberg Code	3417 / EASTMK
Syariah Compliant	No
ESG Rating	★★★
Shares issued (m)	2,493.6
Market Cap (RM' m)	1,970.0
52-Week Price Range (RM)	0.605
Beta (x)	0.9
Free float (%)	21.0
3M Average Volume (m)	1184693.5
3M Average Value (RM' m)	886982.0

Top 3 Shareholders

	(%)
Amazing Parade Sdn Bhd	29.3
Kerjaya Prospek Dev Sdn Bhd	18.2
Paramount Spring Sdn Bhd	9.3

Share Price Performance



	1M	3M	12M
Absolute (%)	8.2	1.3	-7.1
Relative (%)	6.0	-0.9	-15.3

Earnings Summary	FY27F	FY28F	FY29F
Revenue (RM'm)	1,069.9	1,895.2	1,753.6
PATAMI (RM'm)	272.5	559.6	516.6
Adjusted CNP (RM'm)	272.5	559.6	516.6
EPS - core (sen)	10.8	22.2	20.5
P/E(x)	7.3	3.6	3.9

Eastern & Oriental Bhd

Within Expectations

- E&O's 1QFY27 CNP came in at RM58.1m (+27.9% YoY, -23.8% QoQ), accounting for 21% of our FY27F forecast and 22% of consensus estimates, which is in line with our expectations.
- The Group's outlook remains positive, supported by its strong unbilled sales, which is expected to provide revenue visibility through FY29 as construction advances.
- We maintain our FY27F/FY28F core net profit forecasts of RM272.5m/315.4m, while introducing FY29F core net profit of RM513.7m.
- Maintain BUY with an unchanged TP of RM0.96, based on a 55% discount to our RNAV.

Results Inline. E&O's 1QFY27 core net profit (CNP) came in at RM58.1m (+27.9% YoY; -23.8% QoQ) after adjusting for a bad debt written off (RM0.02m) and a gain on disposal of plant, property and equipment (RM0.01m). These results are broadly in line with expectations, accounting for 21% of our FY27F forecast and 22% of consensus estimates. The earning was primarily driven by the Property segment, whose operating profit (OP) surged +44.7% YoY and +14.6% QoQ. This outperformance was supported by stronger revenue recognition from ongoing projects, alongside maiden contributions from newly launched developments.

QoQ. Revenue rose +19.3% QoQ to RM281.5m (4QFY26: RM235.9m), mainly due to a +14.6% increase in the Property segment's OP, driven by higher revenue recognition from ongoing projects (The Meg, Arica, The Lume, Maris) and maiden revenue recognition from Seri Embun. Nevertheless, excluding the bad debt written off (RM0.02m) and gain on disposal of plant, property and equipment (RM0.01m), CNP declined by 23.8% QoQ to RM 58.1m (4QFY26: RM 76.3m), largely due to a tax-rate effect rather than an operating one. This is due to a combination of non-taxable income, recognition of deferred tax assets, and a lower Real Property Gains Tax (RPGT) rate applied to a disposal gain.

YoY. CNP surged +27.9% YoY, underpinned by robust revenue recognition and healthy sales across existing projects. The momentum was largely driven by the Property segment's OP, which increased 44.7% to RM83.0m (1QFY26: RM57.4m). However, segment OP margin actually narrowed to 32.4% from 36.6% a year earlier, as 1QFY27's growth leaned more on ongoing and newly-recognised, which typically carry thinner margins in their initial billing stages than 1QFY26's more mature project mix.

Outlook. The Group's outlook remains positive, supported by stronger contributions from its Property segment. Earnings visibility is underpinned by steady construction progress and healthy sales momentum; unbilled sales continue to provide revenue visibility through FY29. Looking ahead, the Group plans to launch two additional residential projects in 4QFY27, which should support future growth. In addition, The June 2026 partnership with Cengild Medical Berhad and Skyspring Sdn Bhd to develop a 240-bed multidisciplinary tertiary private hospital on Andaman Island together with the newly secured 1.4-acre freehold land parcel near KLCC and Pavilion KL earmarked for luxury serviced apartments, broadens E&O's earnings base beyond its core residential launches and lends credibility to its longer-term ambition of an integrated living ecosystem for Andaman Island's estimated 25,000 future residents. The Hospitality segment should continue to benefit from sustained regional travel demand, and near-term margins remain reasonably well protected by fixed-price construction contracts, which limit immediate exposure to rising building material costs.

Earnings Revision. We maintain our FY27F/FY28F CNP forecasts of RM272.5m/315.4m, while introducing FY29F CNP of RM513.7m. The step-up reflects the Group's strong unbilled sales base, built from FY26/FY27 launches and two new FY27 launches, reaching peak percentage-of-completion revenue recognition around FY29. **We will revisit our earnings forecasts following the analyst briefing scheduled for 28 August 2026.**

Valuation. We maintain our **BUY** call with an unchanged TP of **RM0.96**, based on a 55% discount to our RNAV. **We will revisit our RNAV assumptions following the analyst briefing scheduled for 28 August 2026, particularly in light of any updates to the Group's development pipeline and asset valuations.**

Risk. Affordability concerns amid premium positioning, SST exposure on construction services, and Syariah-compliant status risk.

Results Comparison

FYE Mar (RM m)	1QFY27	1QFY26	yoy (%)	4QFY26	qoq (%)	3MFY27	3MFY26	yoy (%)
Revenue	281.5	183.5	53.4	235.9	19.3	281.5	183.5	53.4
Cost of sales	(173.5)	(102.7)	68.9	(132.5)	30.9	(173.5)	(102.7)	68.9
Other income	5.2	7.4	(30.0)	23.6	(78.1)	5.2	7.4	(30.0)
Administrative expenses	(11.2)	(11.4)	(1.6)	(10.4)	7.7	(11.2)	(11.4)	(1.6)
Selling and marketing expenses	(4.1)	(4.0)	2.8	(4.2)	(3.3)	(4.1)	(4.0)	2.8
Other expenses	(5.8)	(5.6)	3.3	(34.4)	(83.1)	(5.8)	(5.6)	3.3
Operating profit	92.0	67.1	37.1	77.9	18.1	92.0	67.1	37.1
EBIT	88.6	64.2	38.1	72.3	22.5	88.6	64.2	38.1
Depreciation and amortisation	5.6	5.5	1.9	5.7	(1.0)	5.6	5.5	1.9
EBITDA	97.6	72.6	34.4	83.6	16.8	97.6	72.6	34.4
Finance income	3.4	3.0	14.9	5.4	(36.9)	3.4	3.0	14.9
Finance cost	(14.3)	(7.9)	81.0	(10.7)	34.4	(14.3)	(7.9)	81.0
Share of JV	6.0	4.2	45.2	5.4	12.1	6.0	4.2	45.2
Pre-tax profit	83.7	63.4	32.1	72.6	15.3	83.7	63.4	32.1
Taxation	(18.8)	(13.2)	42.0	(6.2)	204.2	(18.8)	(13.2)	42.0
Net profit	58.1	45.4	27.9	62.0	(6.3)	58.1	45.4	27.9
Core net profit	58.1	45.4	27.9	76.3	(23.8)	58.1	45.4	27.9
Core EPS (sen)	2.3	1.8	27.9	3.0	(23.8)	2.3	1.8	27.9
EBITDA margin (%)	34.7	39.6		35.4		34.7	39.6	
PBT margin (%)	29.7	34.5		30.8		29.7	34.5	
Core net profit margin (%)	20.6	24.7		32.3		20.6	24.7	

Source: Company, Apex Securities

Segmental Breakdown

FYE Mar (RM m)	1QFY27	1QFY26	yoy (%)	4QFY26	qoq (%)	3MFY27	3MFY26	yoy (%)
Revenue								
Properties	256.4	157.1	63.2	206.2	24.3	256.4	157.1	63.2
Hospitality	24.7	25.1	(1.8)	29.1	(15.1)	24.7	25.1	(1.8)
Investments and others	0.4	1.3	(66.9)	0.5	(20.8)	0.4	1.3	(66.9)
Elimination	-	-	-	-	-	-	-	-
Total	281.5	183.5	53.4	235.9	19.3	281.5	183.5	53.4
Operating profit								
Properties	83.0	57.4	44.7	72.5	14.6	83.0	57.4	44.7
Hospitality	4.4	4.8	(9.9)	9.0	(51.6)	4.4	4.8	(9.9)
Investments and others	8.5	10.4	(17.8)	(5.4)	nm	8.5	10.4	(17.8)
Elimination	(3.9)	(5.5)	(28.6)	1.8	nm	(3.9)	(5.5)	(28.6)
Total	92.0	67.1	37.1	77.9	18.1	92.0	67.1	37.1
Operating profit margin			%-pts		%-pts			%-pts
Properties	32.4%	36.6%	-4.16%	35.1%	-2.75%	32.4%	36.6%	-4.16%
Hospitality	17.7%	19.3%	-1.58%	31.1%	-13.38%	17.7%	19.3%	-1.58%
Investments and others	1969.7%	793.5%	1176.24%	-991.2%	2960.97%	1969.7%	793.5%	1176.24%
Aggregate Total	32.7%	36.6%	-3.89%	33.0%	-0.34%	32.7%	36.6%	-3.89%

Source: Company, Apex Securities

Results Note

Wednesday, 26 Aug, 2026

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Supported by Capital Market Development Fund



Financial Highlights

Income Statement

FYE Mar (RM m)	FY25	FY26	FY27F	FY28F	FY29F
Revenue	741.1	867.6	1,069.9	1,895.2	1,753.6
Gross Profit	306.5	397.3	481.4	904.5	836.9
EBITDA	224.7	312.8	385.2	706.3	653.6
Depreciation & Amortisation	-23.2	-22.4	-22.0	-21.9	-21.6
EBIT	201.6	290.4	363.1	684.4	632.0
Net Finance Income/ (Cost)	-23.7	-35.3	-26.9	-22.7	-18.9
Associates & JV	38.7	38.0	12.6	9.1	6.1
Pre-tax Profit	216.6	293.1	348.9	670.8	619.3
Tax	-34.9	-49.2	-55.8	-93.9	-86.7
Profit After Tax	181.7	243.9	293.1	576.9	532.6
Minority Interest	13.1	22.7	20.5	17.3	16.0
Net Profit	168.6	221.2	272.5	559.6	516.6
Exceptionals	-26.2	51.7	0.0	0.0	0.0
Core Net Profit	194.9	272.9	272.5	559.6	516.6
CNP (Excluding sales of land)	194.9	272.9	272.5	315.4	516.6

Key Ratios

FYE Mar (RM m)	FY25	FY26	FY27F	FY28F	FY29F
EPS (sen)	7.7	10.8	10.8	22.2	20.5
P/E (x)	10.2	7.3	7.3	3.6	3.9
P/B (x)	0.9	0.8	0.7	0.6	0.5
EV/EBITDA (x)	2.6	1.2	1.8	1.5	2.2
DPS (sen)	1.0	1.0	1.9	2.0	2.0
Dividend Yield (%)	1.3%	1.3%	2.5%	2.5%	2.5%
EBITDA margin (%)	30.3%	36.1%	36.0%	37.3%	37.3%
EBIT margin (%)	27.2%	33.5%	33.9%	36.1%	36.0%
PBT margin (%)	29.2%	33.8%	32.6%	35.4%	35.3%
PAT margin (%)	24.5%	28.1%	27.4%	30.4%	30.4%
NP margin (%)	22.8%	25.5%	25.5%	29.5%	29.5%
CNP margin (%) *	26.3%	31.5%	25.5%	29.5%	29.5%
ROE (%)	8.3%	10.6%	9.6%	16.7%	13.5%
ROA (%)	4.3%	4.8%	5.1%	10.0%	8.8%
Gearing (%)	73.3%	84.2%	67.5%	51.3%	40.3%
Net gearing (%)	61.4%	64.7%	47.4%	30.2%	16.9%

* Inclusive sales of land

Valuations	FY28F	Valuation methodology
Total RNAV (RM' m)	5,394.3	(ke: 12%)
Discount Rate	55.0%	
Discounted RNAV (RM' m)	2,427.4	
Enlarged Sharebase	2,539.5	
Fair Value (RM)	0.96	

Source: Company, Apex Securities

Balance Sheet

FYE Mar (RM m)	FY25	FY26	FY27F	FY28F	FY29F
Cash	278.5	502.4	568.5	706.5	895.7
Receivables	104.1	71.2	107.4	121.0	90.4
Inventories	572.6	639.7	652.4	660.1	290.1
Other current assets	184.5	340.1	48.6	57.1	77.0
Total Current Assets	1,139.7	1,553.5	1,376.9	1,544.7	1,353.2
Fixed Assets	227.0	765.1	217.2	213.4	209.8
Intangibles	0.1	0.0	0.1	0.1	0.1
Other non-current assets	3,208.3	3,314.6	3,706.4	3,831.9	4,321.6
Total Non-Current Assets	3,435.4	4,079.7	3,923.8	4,045.4	4,531.6
Short-term debt	244.5	343.5	272.6	245.5	220.5
Payables	375.3	670.6	412.3	366.6	354.1
Other current liabilities	47.9	136.7	49.1	47.0	47.1
Total Current Liabilities	667.7	1,150.8	734.0	659.1	621.6
Long-term debt	1,468.2	1,823.0	1,636.6	1,474.2	1,323.8
Other non-current liabilities	102.8	87.5	102.6	103.0	103.2
Total Non-Current Liabilities	1,570.9	1,910.5	1,739.2	1,577.1	1,427.0
Shareholder's equity	2,316.3	2,530.9	2,767.7	3,276.9	3,743.1
Minority interest	20.3	40.9	59.8	77.1	93.1
Total Equity	2,336.5	2,571.8	2,827.5	3,353.9	3,836.2

Cash Flow

FYE Mar (RM m)	FY25	FY26	FY27F	FY28F	FY29F
Pre-tax profit	216.6	293.1	348.9	670.8	619.3
Depreciation & amortisation	23.2	22.4	22.0	21.9	21.6
Changes in working capital	-443.4	-463.0	-258.0	-375.5	-115.4
Others	-131.6	-126.8	-68.4	-347.2	-92.8
Operating cash flow	-335.2	-274.3	44.5	-30.1	432.6
Capex	-13.3	-7.9	-12.0	-10.0	-10.0
Others	16.9	37.4	1.1	425.5	0.0
Investing cash flow	3.6	29.5	-10.9	415.5	-10.0
Dividends paid	-24.9	0.0	-49.1	-50.4	-50.4
Others	161.4	485.9	46.0	-197.1	-183.0
Financing cash flow	136.6	485.9	-3.0	-247.5	-233.4
Net cash flow	-195.1	241.1	30.6	138.0	189.2
Forex	10.6	18.3	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	354.4	169.9	429.2	459.9	597.9
Ending cash & cash equivalent	169.9	429.2	459.9	597.9	787.1
Bank overdraft and cash restricted	108.6	73.2	108.6	108.6	108.6
Total cash and bank	278.5	502.4	568.5	706.5	895.7

Results Note

Wednesday, 26 Aug, 2026

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ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	GHG emissions rose 4.4% yoy to 16,879tCo2e in FY26
Waste & Effluent	★★★	100% recycling rate for steel in all current development projects
Energy	★★★	All completed developments in FY2026 achieved 90% of floor space area with LED or energy-efficient lighting systems
Water	★★	Use of water-efficient fittings that consist of WELS minimum of 3 ticks rated
Compliance	★★★	The Group recorded no fines or penalties relating to non-compliance

Social

Diversity	★★★	40% of the Group's employees are represented by women as at FY26
Human Rights	★★★	Enforce and adopts Code of Ethics and Conduct
Occupational Safety and Health	★★★	The Group and among contractors recorded no serious injuries and incidents or work-related fatalities
Labour Practices	★★★	Pay scale based on prevailing industry market rates as stipulated by the Act 732 National Wages Consultative Council Act

Governance

CSR Strategy	★★★	An estimated RM605k in community donations, sponsorships, and other support, reaching around 22.4k people
Management	★★	The Board has six (6) members, of whom three (3) are Executive Directors and one (1) is Senior Independent Non-Executive Director and two (2) are Independent Non-Executive Directors.
Stakeholders	★★★	4x analyst briefings per annum, 1x AGM per annum

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.