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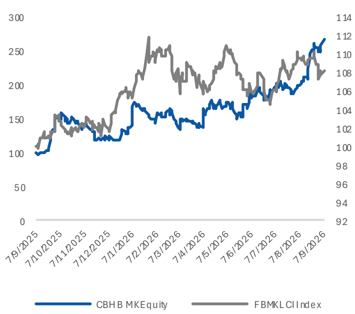
Recommendation:	↔	BUY
Current Price:		RM 0.95
Previous Target Price:		RM 0.95
Target Price:	↑	RM 1.05
Capital Upside/Downside:		10.5%
Dividend Yield (%):		0.3%
Total Upside/Downsid		**10.8%**

Stock information	
Board	ACE
Sector	Industrial
Bursa / Bloomberg Code	0339 / CBHB MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	1,880.9
Market Cap (RM' m)	1,786.9
52-Week Price Range (RM)	0.955-0.34
Beta (x)	N/A
Free float (%)	26.7
3M Average Volume (m)	10.8
3M Average Value (RM' m)	8.1

Top 3 Shareholders	(%)
Quay Holdings Sdn Bhd	72.8
Kaf Investment Funds	2.6
Lembaga Tabung Haji	2.3

Share Price Performance



	1M	3M	12M
Absolute (%)	33.8	49.6	167.6
Relative (%)	35.4	46.5	147.4

Earnings Summary	FY26F	FY27F	FY28F
Revenue (RM'm)	604.2	660.5	731.4
PATAMI (RM'm)	71.9	77.8	85.8
CNP (RM'm)	71.9	77.8	85.8
EPS - core (sen)	3.8	4.1	4.6
P/E (x)	24.8	23.0	20.8

CBH Engineering Holding Berhad

Another DC Contract Secured, Sixth Win of FY26

- **CBHB, via its wholly owned subsidiary CBH Engineering Sdn Bhd has secured a RM88.1m contract for the design and build of a 275kV consumer landing station serving a data centre in Selangor. The award lifts its outstanding order book to RM1.16b, equivalent to 5.3x FY25 revenue.**
- **Assuming a gross profit margin of 23.5%, the project is expected to generate c.RM20.7m in gross profit over nine months, with c.RM10.7m recognised in FY26F and c.RM10.0m in FY27F.**
- **No change to our earnings forecasts as the contract win is within our order book replenishment assumptions.**
- **Maintain BUY with updated TP of RM1.05, based on Peer P/E Average of 23.1x and carry forward FY28F EPS of 4.6 sen, supported by a three-star ESG rating.**

RM88.1m Contract. CBHB has secured a RM88.1m contract from a Malaysian company for the design and build of a 275kV consumer landing station (CLS) for a data centre in Selangor. The scope covers detailed design, supply, delivery, installation, testing and commissioning. Works commenced on 13 August 2026 and are scheduled for completion by 12 May 2027, implying a nine-month delivery period. The customer is principally engaged in providing infrastructure for hosting and data processing services, with its identity withheld under a non-disclosure agreement.

Our View. We view the award positively, as it should support CBHB's earnings growth through FY27F. This marks the sixth contract secured in FY26, bringing total YTD wins to RM477.2m. Assuming a 23.5% gross profit margin, the contract is expected to generate c.RM20.7m in gross profit over the nine-month duration, with c.RM10.7m recognised in FY26F and c.RM10.0m in FY27F. Following this award, CBHB's outstanding order book stands at an estimated RM1.16b (5.3x FY25 revenue), strengthening its medium-term earnings visibility. Execution risk appears manageable given CBHB's track record in HV substation works.

Outlook. We expect DC-related job momentum to remain strong, supported by continued hyperscaler investment in data centre and AI infrastructure. CBHB's substation tender book stands at c.RM1.0bn for FY26, and at our assumed win rate of c.60%, this underpins our RM600m replenishment assumption. With six contracts secured YTD and a proven record in delivering HV substations for DC clients, we believe CBHB remains a key beneficiary in this segment. CBHB remains in a net cash position throughout our forecast period, with net cash of RM157.8m in FY25A and RM109.8m forecast for FY26F, sufficient to fund working capital on the enlarged order book without new borrowings.

Earnings revision. No change to our earnings forecasts as the contract win is within our order book replenishment assumption of RM600m. However, given YTD order wins have reached 80% of our assumption, and with four months left in the year, should the contracts continue at its current pace, we see scope for an upward revision to our FY26F and FY27F replenishment assumptions and earnings forecasts.

KDN PP13226/06/2024 (035469)

Figure 1: FY26 YTD New Job Wins

Scope / location	Contract value (RM m)	Voltage (kV)	Start date	End date
Supply, delivery, installation, testing & commissioning of HV transformers and associated equipment, 275kV substation, data centre, Johor	246.00	275	Jul 2026	Sep 2028
Design & build of a 275kV consumer landing station, data centre, Selangor	88.05	275	Aug 2026	May 2027
Design, supply, installation, testing & commissioning of a consumer substation (Phase 2) plus medium voltage works, data centre, Johor	59.60		Jul 2026	Sep 2027
Design, supply, installation & commissioning of a 275kV consumer substation (Phase 1), data centre, Johor	29.69	275	Apr 2026	Sep 2026
Turnkey EPCC of BESS interconnection facility, BESS interconnector and TNB interconnection facility, 100MW / 400MWh BESS, Pahang (non-DC)	27.70		May 2026	Apr 2027
EPCC (design & build) upgrade of a 275kV substation, Selangor (customer: undisclosed listed co.)	26.20	275	Aug 2026	Feb 2027
Total FY26 YTD wins (6 announcements)	**477.24**			
Model FY26F order-book replenishment assumption (D93)	600.00			
% of FY26F win assumption secured	79.5%			

Source: Company, Apex Securities

Valuation & Recommendation. We **maintain BUY** and upgrade our **TP to RM1.05**, based on Peer average of 23.1x FY27F EPS of 4.6 sen. We continue to like CBHB for its (i) strategic role as a proxy for Malaysia's rising power demand, (ii) established track record in delivering HV substations tailored for DC operators, and (iii) robust supplier relationships that enable cost-efficient procurement.

Risks. Delays in data centre project rollouts, execution and manpower constraints on the enlarged order book, cost overruns on fixed-price contracts, and customer concentration in the data centre segment.

Financial Highlights

Income Statement

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	**271.7**	**218.8**	**604.2**	**660.5**	**731.4**
Gross Profit	**73.4**	**73.4**	**140.0**	**152.1**	**168.2**
EBITDA	**55.1**	**61.5**	**93.3**	**100.9**	**111.5**
Depreciation & Amortisation	-0.9	-1.4	-2.2	-2.3	-2.5
EBIT	**54.1**	**60.1**	**91.0**	**98.6**	**109.0**
Net Finance Income/ (Cost)	0.7	3.5	3.6	3.7	3.8
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	**54.8**	**63.6**	**94.6**	**102.3**	**112.9**
Tax	-13.1	-15.5	-22.7	-24.6	-27.1
Profit After Tax	**41.7**	**48.1**	**71.9**	**77.8**	**85.8**
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Profit	**41.7**	**48.0**	**71.9**	**77.8**	**85.8**
Exceptionals	-2.2	4.3	0.0	0.0	0.0
Core Net Profit	**44.0**	**43.7**	**71.9**	**77.8**	**85.8**

Key Ratios

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Core EPS (sen)	2.3	2.3	3.8	4.1	4.6
P/E (x)	40.6	40.9	24.8	23.0	20.8
P/B (x)	18.0	7.8	6.1	4.9	4.0
EV/EBITDA (x)	31.7	26.5	18.0	16.1	14.0
DPS (sen)	0.9	0.0	0.3	0.3	0.3
Dividend Yield (%)	0.9%	0.0%	0.3%	0.3%	0.3%
EBITDA margin (%)	20.3%	28.1%	15.4%	15.3%	15.2%
EBIT margin (%)	19.9%	27.5%	15.1%	14.9%	14.9%
PBT margin (%)	20.2%	29.1%	15.7%	15.5%	15.4%
PAT margin (%)	15.4%	22.0%	11.9%	11.8%	11.7%
NP margin (%)	15.4%	22.0%	11.9%	11.8%	11.7%
CNP margin (%)	16.2%	20.0%	11.9%	11.8%	11.7%
ROE (%)	44.3%	19.1%	24.4%	21.2%	19.2%
ROA (%)	27.6%	15.1%	15.2%	13.8%	12.8%
Gearing (%)	0.1%	0.2%	0.1%	0.1%	0.1%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Valuations	FY27F
Core EPS (RM)	0.041
P/E multiple (x)	23.1
Fair Value (RM)	**0.95**
ESG premium/discount	0.0%
Implied Fair Value (RM)	**0.95**

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash and bank balances	38.9	158.3	106.9	163.8	224.8
Receivables	38.7	60.0	165.7	181.2	200.6
Inventories	75.2	63.0	193.3	211.3	234.0
Other current assets	0.3	0.3	0.3	0.3	0.3
Total Current Assets	**153.1**	**281.5**	**466.2**	**556.5**	**659.7**
Fixed Assets	3.6	5.3	5.2	5.5	5.9
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	2.9	2.0	2.0	2.0	2.0
Total Non-Current Assets	**6.5**	**7.3**	**7.3**	**7.5**	**7.9**
Short-term debt	0.1	0.4	0.4	0.4	0.4
Payables	53.8	48.6	162.5	177.9	197.1
Other current liabilities	4.8	9.5	14.8	17.4	21.8
Total Current Liabilities	**58.7**	**58.5**	**177.7**	**195.8**	**219.3**
Long-term debt	0.0	0.0	0.0	0.0	0.0
Other non-current liabilities	1.7	1.8	0.5	0.6	1.0
Total Non-Current Liabilities	**1.7**	**1.8**	**0.5**	**0.6**	**1.0**
Shareholder's equity	99.2	228.1	294.9	367.2	446.9
Minority interest	0.0	0.3	0.3	0.3	0.3
Total Equity	**99.2**	**228.4**	**295.3**	**367.6**	**447.3**

Cash Flow

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	**54.8**	**63.6**	**94.6**	**102.3**	**112.9**
Depreciation & amortisation	0.9	1.4	2.2	2.3	2.5
Changes in w orking capital	-21.6	-7.4	-120.1	-17.1	-21.9
Others	-16.2	-17.2	-22.6	-24.4	-26.8
Operating cash flow	**18.0**	**40.3**	**-45.8**	**63.2**	**66.6**
Capex	-1.0	-2.0	-2.2	-2.6	-3.0
Others	0.5	-5.2	0.0	0.0	0.0
Investing cash flow	**-0.6**	**-7.3**	**-2.2**	**-2.6**	**-3.0**
Dividends paid	-21.0	0.0	-5.1	-5.5	-6.0
Others	-0.6	82.0	1.7	1.8	3.4
Financing cash flow	**-21.6**	**82.0**	**-3.4**	**-3.7**	**-2.7**
Net cash flow	**-4.2**	**115.1**	**-51.4**	**56.9**	**61.0**
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	31.6	27.4	142.5	91.1	148.0
Ending cash	**27.4**	**142.5**	**91.1**	**148.0**	**209.0**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Emitted **141,062.15** tCO_2e in absolute GHG emissions during FYE20251.
Waste & Effluent	★★★	Integrates environmental risk assessments into project planning and recorded **zero environmental non-compliance incidents** in FYE2025.
Energy	★★★	Total energy consumption was **510.21 GJ**, with rooftop solar at its head office helping offset grid electricity usage.
Water	★★★	Water consumption was **585 m^3**, with operations located outside high-water-stressed areas and usage mainly for office and general utilities.
Compliance	★★★★	Maintains a **zero environmental compliance incident** target, which was achieved in FYE2025.

Social

Diversity	★★★★	Women represent **31% of the workforce and 57% of Board members**, exceeding the 30% gender diversity target.
Human Rights	★★★	Maintains compliance with labour laws, with **zero substantiated human rights complaints** in FYE2025.
Occupational Safety and Health	★★★★	Achieved **zero TRIR and fatalities** for three consecutive years under ISO 45001:2018.
Labour Practices	★★★	Provided **1,246 training hours to 97 employees**, while 46.26% of the workforce comprises contractual employees due to the project-based nature of operations.

Governance

CSR Strategy	★★★	Contributed **RM69,830** to community initiatives in FYE2025, including support for education and underserved communities.
Management	★★★★	Governance is overseen by four Board committees, supported by policies covering ethics, whistleblowing and anti-bribery.
Stakeholders	★★★	Maintains transparent stakeholder engagement through its corporate website, AGM and Bursa Securities' CSI platform.

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

As of **Tuesday, 08 Sep, 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.