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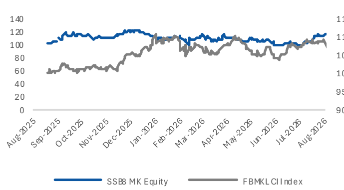
Recommendation:		BUY
Current Price:		RM 0.63
Previous Target Price:		RM 0.78
Target Price:	↔	RM 0.78
Capital Upside/Downside:		23.8%
Dividend Yield (%):		1.6%
Total Upside/Downside:		**25.4%**

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)	1,431.7
52-Week Price Range (RM)	0.495-0.66
Beta (x)	1.1
Free float (%)	26.1
3M Average Volume (m)	2.1
3M Average Value (RM' m)	1.2

Top 3 Shareholders	(%)
Super Advantage Property Sdn Bhd	43.4
Gan Yee Hin	14.6
Urusharta Jamaah Sdn Bhd	3.9

Share Price Performance



	1M	3M	12M
Absolute (%)	12.5	14.5	20.0
Relative (%)	15.2	14.3	13.8

Earnings summary

FYE Jun (RM m)	FY27F	FY28F	FY29F
Revenue (RM'm)	526.9	583.7	627.3
PATAMI (RM'm)	99.7	110.2	143.5
CNP (RM'm)	99.7	110.2	143.5
EPS - core (sen)	4.4	4.8	6.3
P/E (x)	14.4	13.0	10.0

Southern Score Builders Bhd

Construction Arm Lands RM180m Melaka Hospital Contract

- **SSB8 secured a RM180m main building works for a private hospital development in Melaka, representing the Group's largest single contract win across any segment in 2026.**
- **Assuming a 15% net profit margin, the contract is expected to contribute c.RM27.0m in PAT (or c.27.1% of FY27F PAT) over FY27F-FY28F.**
- **With this contract win, the Group's outstanding orderbook now stands at c.RM1.86bn, providing solid revenue visibility equivalent to a book-to-bill ratio of 3.8x FY26 unaudited 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 RM180m Melaka Hospital Contract. SSB8, through its wholly-owned subsidiary Southern Score Sdn Bhd ("SSSB"), has accepted a letter of award from Radium Hospital Ayer Keroh Sdn Bhd ("RHAK") to undertake the main building works for a private hospital development at Hang Tuah Jaya, Melaka. The scope covers a phased development comprising a 3-storey car park block and M&E utility building (Phase 1), a 7-storey private hospital building together with ancillary structures (Phase 1A), and a pump house (Phase 1B), with works spanning building construction, external works, M&E installation, aluminium and glazing, interior fit-out, facade treatment, kitchen equipment, and landscaping, among other scope items. The total contract sum is RM180.0m. The project commences on 15 October 2026, with a 19-month contract period and expected completion by 14 May 2028, spanning FY27F and FY28F.

Our View. We view this award **positively**, as it is the Group's largest single contract win across any segment in 2026 to date, surpassing even the recent run of sizeable M&E data centre contracts. Assuming an estimated 15% net profit margin, we estimate the contract will contribute c.RM27.0m in PAT over its duration, or c.27.1% of our FY27F PAT. The award also confirms that Radium Development Berhad continues to provide the Group with recurring project flow, offering a steadier, more predictable complement to the lumpier, tender-driven M&E order book, while extending the Construction segment into the healthcare infrastructure vertical, alongside its existing residential and civil infrastructure work. Given the comprehensive scope spanning structural works through to specialised fit-out items such as kitchen equipment and facade treatment, we see moderate execution complexity, though this is mitigated by SSSB's established track record and the Group's broader construction management capabilities.

Outlook. This award lifts the Group's order book to c.RM1.86bn and extends earnings visibility across FY27F and FY28F, complementing the M&E division's recent data centre-led momentum. Taken together, the Group now shows strong concurrent momentum across both of its key engines – M&E, driven by data centre tender conversions, and Construction, increasingly anchored by recurring related party project flow from the Radium group. We view the related party nature of this contract as a double-edged consideration, as it offers a more visible and recurring source of order book replenishment than open tender wins, but also raises the Group's exposure to related party revenue concentration, which investors may increasingly scrutinise as such transactions recur. We remain constructive on the Group's overall order book replenishment prospects, supported by continued data centre opportunities in the M&E division and recurring project flows from related parties.

Earnings Revision. No change to our earnings revision as this award falls within our orderbook replenishment assumption for FY27F of RM500m. However, we highlight that YTD contract wins of RM431.5m are now tracking close to our FY27F orderbook replenishment assumption of RM500m, despite being less than three months into the financial year. Should this pace of contract wins be sustained, there is a reasonable likelihood of a further upward revision to our FY27F and FY28F replenishment assumptions, and consequently our earnings forecasts.

KDN PP13226/06/2024 (035469)

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	FY26	FY27F	FY28F	FY29F
Revenue	**221.1**	**491.0**	**526.9**	**583.7**	**627.3**
Gross Profit	**71.1**	**139.8**	**178.8**	**197.3**	**211.0**
EBITDA	**58.5**	**120.3**	**163.0**	**179.8**	**192.1**
Depreciation & Amortisation	0.6	0.7	2.6	2.9	3.1
EBIT	**57.9**	**119.6**	**160.3**	**176.9**	**189.0**
Net Finance Income/ (Cost)	-1.2	-0.5	-0.8	-0.5	-0.2
Associates & JV	0.0	0.0	0.0	0.0	0.0
Other Income/(Cost)	1.3	4.7	0.0	0.0	0.0
Pre-tax Profit	**58.0**	**123.8**	**159.6**	**176.4**	**188.8**
Tax	-14.3	-31.0	-38.3	-42.3	-45.3
Profit After Tax	**43.7**	**92.9**	**121.3**	**134.1**	**143.5**
Minority Interest	-3.5	-26.5	-21.5	-23.9	0.0
Net Profit	**40.2**	**66.4**	**99.7**	**110.2**	**143.5**
Exceptionals	0.0	-3.3	0.0	0.0	0.0
Core Net Profit	**40.2**	**63.1**	**99.7**	**110.2**	**143.5**

Key Ratios

FYE Jun (RM m)	FY25	FY26	FY27F	FY28F	FY29F
EPS (sen)	1.8	2.8	4.4	4.8	6.3
P/E (x)	35.6	22.7	14.4	13.0	10.0
P/B (x)	7.7	5.6	3.9	2.8	2.3
EV/EBITDA (x)	24.1	11.7	8.4	7.1	6.1
DPS (sen)	1.5	1.3	1.0	1.0	1.3
Dividend Yield (%)	2.3%	2.1%	1.6%	1.5%	2.0%
EBITDA margin (%)	26.5%	24.5%	30.9%	30.8%	30.6%
EBIT margin (%)	26.2%	24.4%	30.4%	30.3%	30.1%
PBT margin (%)	26.2%	25.2%	30.3%	30.2%	30.1%
PAT margin (%)	19.8%	18.9%	23.0%	23.0%	22.9%
NP margin (%)	18.2%	13.5%	18.9%	18.9%	22.9%
CNP margin (%)	18.2%	12.9%	18.9%	18.9%	22.9%
ROE (%)	21.6%	24.9%	27.0%	21.6%	22.9%
ROA (%)	13.0%	12.8%	17.8%	15.4%	17.0%
Gearing (%)	6.5%	7.4%	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	FY26	FY27F	FY28F	FY29F
Cash	43.7	78.5	123.7	234.4	327.5
Receivables	246.8	370.5	395.2	437.8	470.5
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.1	-0.2	0.1	0.1	0.1
Total Current Assets	**290.7**	**448.7**	**519.0**	**672.3**	**798.1**
Fixed Assets	2.0	28.5	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**	**44.2**	**41.3**	**44.2**	**47.3**
Short-term debt	12.2	18.8	7.3	3.0	0.0
Payables	103.7	211.7	172.3	191.3	206.1
Other current liabilities	6.4	8.3	10.8	12.0	12.9
Total Current Liabilities	**122.3**	**238.8**	**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	218.7	321.8	438.2	554.4
Minority interest	10.7	35.2	47.9	71.8	71.8
Total Equity	**185.9**	**253.9**	**369.7**	**510.0**	**626.2**

Cash Flow

FYE Jun (RM m)	FY25	FY26	FY27F	FY28F	FY29F
Pre-tax profit	**58.0**	**123.8**	**159.6**	**176.4**	**188.8**
Depreciation & amortisation	0.6	0.7	2.6	2.9	3.1
Changes in working capital	-27.5	-38.7	-37.1	-22.5	-16.9
Others	-9.9	-27.0	-12.5	-14.1	-21.4
Operating cash flow	**21.3**	**58.7**	**112.6**	**142.8**	**153.6**
Net capex	-0.2	-1.2	-5.3	-5.8	-6.3
Others	-15.5	0.8	0.0	0.0	0.0
Investing cash flow	**-15.7**	**-0.4**	**-5.3**	**-5.8**	**-6.3**
Dividends paid	-22.7	-30.1	-22.4	-22.0	-28.7
Others	-0.6	1.6	-4.1	-4.3	-25.6
Financing cash flow	**-23.4**	**-28.5**	**-26.6**	**-26.3**	**-54.3**
Net cash flow	**-17.8**	**29.9**	**80.8**	**110.7**	**93.1**
Forex	0.0	0.0	0.0	0.0	0.0
Others	-2.7	5.0	0.0	0.0	0.0
Beginning cash	67.8	43.7	43.0	123.7	234.4
Ending cash	**47.2**	**78.6**	**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

As of **Monday, 14 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.