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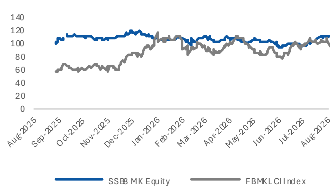
Recommendation:		BUY
Current Price:		RM 0.63
Previous Target Price:		RM 0.78
Target Price:	↔	RM 0.78
Capital Upside/Downside:		23.8%
Dividend Yield (%):		1.6%
Total Upside/Downside:		25.4%

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)	1.0
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 (%)	6.8	14.5	14.5
Relative (%)	11.2	16.9	10.2

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

Sixth Data Centre Win Extends Group Order Book Momentum

- **SSB8 secured a RM40m data centre subcontract at Nilai, Negeri Sembilan – the M&E division's sixth data centre win of 2026, taking cumulative 2026 data centre wins to RM528.0m.**
- **Assuming an 18% net profit margin, the contract is expected to contribute c.RM3.7m in PAT (or c.3.7% of FY27F PAT) over FY27F.**
- **With this contract win, the Group's outstanding orderbook now stands at c.RM1.90bn, providing solid revenue visibility equivalent to a book-to-bill ratio of 3.9x 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 RM40m Data Centre Contract in Negeri Sembilan. SSB8, through its 51%-owned subsidiary, SJEE Engineering Sdn Bhd ("SJEE"), has accepted a letter of award from a local construction company to undertake subcontract works described as supply, delivery, installation, testing & commissioning, maintenance and warranty of electrical works for a data centre project located at Nilai, Negeri Sembilan, at a total subcontract sum of RM40m. The project's stated commencement date is 1 April 2026, with expected completion by 20 April 2027, contributing positively to the Group's earnings from FY27 onwards until completion.

Our View. We view this award **positively**, as it is a continuation of SJEE's steady order book replenishment in the high-tech and data centre space rather than a step-change in contract size. 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.RM3.7m in PAT over its duration, or c.3.7% of our FY27F PAT forecast – a modest but incremental addition on top of the Group's recent larger-ticket wins. We view execution risk as low given the contract's smaller scale relative to SJEE's recent data centre awards, and see this as evidence that the division continues to convert opportunities across a range of deal sizes, not solely on marquee-sized contracts.

Outlook. The Group's total order book now stands at c.RM1.90bn, comprising RM1.23bn from Construction, RM630.7m from M&E, and RM40.5m from Specialised Engineering Solutions. We continue to view the Group's two main engines as complementary rather than overlapping: the M&E division is replenishing steadily through a string of data centre wins ranging from single-digit millions to over RM150m per contract, while the Construction division replenishes more periodically through larger, less frequent wins such as the recent Melaka hospital contract. Together, we believe this dual-cycle replenishment profile broadens and smooths the Group's earnings visibility relative to a business reliant on a single order book stream. The tender pipeline for data centre opportunities remains active, and structural demand for data centres in Malaysia continues unabated, supporting our constructive view on order book replenishment prospects into FY27F and beyond.

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 RM471.5m 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.

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 **Tuesday, 22 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.