

## Research Team

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|                               |              |
|-------------------------------|--------------|
| <b>Recommendation:</b>        | <b>BUY</b>   |
| Current Price:                | RM 0.69      |
| Previous Target Price:        | RM 1.22      |
| Target Price:                 | RM 1.25      |
| Capital Upside/ Downside:     | 81.2%        |
| Dividend Yield (%):           | 2.9%         |
| <b>Total Upside/ Downside</b> | <b>84.0%</b> |

## Stock information

|                          |                |
|--------------------------|----------------|
| Board                    | MAIN           |
| Sector                   | Industrial     |
| Bursa / Bloomberg Code   | 7579 / AWC FMK |
| Syariah Compliant        | Yes            |
| ESG Rating               | ★★★            |
| Shares issued (m)        | 336.7          |
| Market Cap (RM' m)       | 232.3          |
| 52-Week Price Range (RM) | 0.785-0.43     |
| Beta (x)                 | 1.5            |
| Freefloat (%)            | 26.7           |
| 3M Average Volume (m)    | 1.4            |
| 3M Average Value (RM' m) | 0.8            |

## Top 3 Shareholders

(% )

|                                 |      |
|---------------------------------|------|
| K-Capital Sdn Bhd               | 26.4 |
| Mohamed Nagoor Ahmad Kabeer Bin | 8.6  |
| Mastrack Sdn Bhd                | 4.3  |

## Share Price Performance



|              | 1M   | 3M   | 12M  |
|--------------|------|------|------|
| Absolute (%) | 20.0 | 48.4 | -0.7 |
| Relative (%) | 25.2 | 56.8 | -1.7 |

| Earnings Summary | FY26  | FY27F | FY28F |
|------------------|-------|-------|-------|
| Revenue (RM'm)   | 445.5 | 527.9 | 666.6 |
| PATAMI (RM'm)    | 26.4  | 30.1  | 37.6  |
| CNP (RM'm)       | 26.9  | 30.1  | 37.6  |
| Core EPS (sen)   | 7.8   | 8.7   | 10.9  |
| P/E(x)           | 8.8   | 7.9   | 6.3   |

## AWC Berhad

## RM39.7m data centre win lifts order book to c.RM900m

- AWC's wholly-owned Qudotech Sdn Bhd has secured a RM39.7m subcontract from Gamuda Engineering for water and fire services at a hyperscale data centre in Bandar Spring Hill, Port Dickson.
- We view the win positively. It is Engineering's second data centre win in FY27 (RM62.8m) and third in CY26 (RM85.0m). The new award lifts Group order book to c.RM900m, or c.2.0x FY26 revenue.
- Assuming a c.12% PAT margin, the contract should generate c.RM4.8m PAT over c.14 months. About c.RM3.5m falls in FY27F, or c.12% of our FY27F core net profit of RM30.1m.
- We raise FY27F/FY28F earnings by 2.4%/2.2% as we lift our FY27F Engineering order book replenishment assumption to RM89.1m (from RM62.3m), with YTD wins of RM62.8m already exceeding the previous target. Maintain BUY with a higher sum-of-the-parts TP of RM1.25 (from RM1.22).

**Secures RM39.7m Data Centre Subcontract.** Qudotech Sdn Bhd (Qudotech), AWC's wholly-owned subsidiary, has signed a subcontract with Gamuda Engineering Sdn Bhd (Gamuda) for a hyperscale data centre at Bandar Spring Hill, Port Dickson. The RM39.7m contract covers cold-water, rainwater harvesting, water reticulation, fire hydrant and sanitary works. Preliminary works began on 14 Aug 2026, so the contract should contribute from 1QFY27 until completion on **22 Oct 2027**.

**Our View.** We view the win **positively**, as Gamuda's repeat awards are stacking up. This is its third data centre subcontract to AWC, following previous awards for Rawang (RM19.9m) and Puncak Alam (RM42.3m). Repeated awards from a tier-one main contractor solidify Qudotech's status as an established vendor in Gamuda's subcontract space, not a one-off. As these projects roll out in phases, follow-on packages at the same sites could follow. The 14-month timeline also converts into earnings faster than AWC's long-dated concessions.

Figure 1: Engineering data centre wins in CY26 to date

| Award date        | Client             | Location     | Scope                                                                  | Value (RMm) | Completion |
|-------------------|--------------------|--------------|------------------------------------------------------------------------|-------------|------------|
| Apr-2026 (FY26)   | Undisclosed JV     | Undisclosed  | Plumbing, silo tank, internal sanitary                                 | 22.2        | Dec-2026   |
| Aug-2026 (FY27)   | Undisclosed JV     | Undisclosed  | Plumbing, silo tank, internal sanitary                                 | 23.1        | Jun-2027   |
| Oct-2026 (FY27)   | Gamuda Engineering | Port Dickson | Cold water, rainwater harvesting, reticulation, fire hydrant, sanitary | 39.7        | Oct-2027   |
| <b>FY27 total</b> |                    |              |                                                                        | <b>62.8</b> |            |
| <b>CY26 total</b> |                    |              |                                                                        | <b>85.0</b> |            |

Source: Company, Apex Securities

Assuming a c.12% PAT margin, we estimate c.RM4.8m PAT over the contract life, with c.RM3.5m estimated to be recognised in FY27F, or c.12% of our FY27F CNP of RM30.1m. Including this win, AWC's order book rises to **c.RM900m (c.2.0x FY26 revenue)**, from c.RM860.5m in our last note. Engineering's order book rises to c.RM202m, from RM139.2m as at end-4QFY26, after including the RM23.1m Aug-2026 award and this contract.

**Outlook.** Engineering is now the Group's clearest near-term growth driver, as data centre jobs convert into earnings within one to two years. The Environment segment remains the key swing factor, as its pivot towards India has begun to bloom as seen in [AWC's recent RM13.1m contract in GIFT City](#) amid continued geopolitical disruption in the Middle East. Meanwhile, Facilities' IFM contracts continue to anchor recurring income.

**Earnings Revision.** We raise our FY27F/FY28F core net profit forecasts by 2.4%/2.2% to RM30.1m/RM37.6m. As FY27's total YTD Engineering orderbook wins of RM62.8m has exceeded our assumption of RM62.3m, prompting us to revise our assumptions upward to RM89.1m as we expect more orders to follow with eight months remaining in the financial year.

**Valuation.** We maintain our **BUY** recommendation with a **higher sum-of-the-parts TP of RM1.25** (from RM1.22, fully diluted), alongside a three-star ESG rating. We value Engineering at 15x, Environment at 13x, and Facilities and Rail at 7x each, all on FY28F earnings. We continue to like AWC for its (i) two independent entry points into the data centre theme via Engineering and Facilities, (ii) early traction on the India smart-city pivot, and (iii) predictable cash flows from long-term concessions.

**Risks.** Delays in project execution or completion; rising material costs eroding margins on a fixed lump-sum contract; slower-than-expected data centre investment in Malaysia; reliance on a small pool of main contractors for new awards.

# Company Update

Thursday, 15 Oct, 2026

**BURSA RISE+**  
Brought to you by Bursa Malaysia  
Supported by Capital Market Development Fund

## Financial Highlights

### Income Statement

| FYE Jun (RM m)              | FY25        | FY26        | FY27F       | FY28F       | FY29F       |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Revenue</b>              | 414.1       | 445.5       | 527.9       | 666.6       | 748.3       |
| Gross Profit                | 91.2        | 101.4       | 119.8       | 150.8       | 178.0       |
| <b>EBITDA</b>               | <b>40.1</b> | <b>42.9</b> | <b>48.0</b> | <b>59.7</b> | <b>75.6</b> |
| Depreciation & Amortisation | (6.5)       | (6.5)       | (7.7)       | (9.7)       | (10.9)      |
| <b>EBIT</b>                 | <b>33.6</b> | <b>36.4</b> | <b>40.3</b> | <b>50.0</b> | <b>64.7</b> |
| Net Finance Income/(Cost)   | (1.9)       | (1.6)       | (0.7)       | (0.4)       | (0.4)       |
| Associates & JV             | -           | -           | -           | -           | -           |
| <b>Pre-tax Profit</b>       | <b>31.7</b> | <b>34.8</b> | <b>39.6</b> | <b>49.6</b> | <b>64.3</b> |
| Tax                         | (6.8)       | (8.4)       | (9.5)       | (11.9)      | (15.5)      |
| <b>Profit After Tax</b>     | <b>24.9</b> | <b>26.4</b> | <b>30.1</b> | <b>37.6</b> | <b>48.8</b> |
| Minority Interest           | -           | -           | -           | -           | -           |
| <b>Net Profit</b>           | <b>24.9</b> | <b>26.4</b> | <b>30.1</b> | <b>37.6</b> | <b>48.8</b> |
| Exceptionals                | 1.9         | (0.5)       | -           | -           | -           |
| <b>Core Net Profit</b>      | <b>23.0</b> | <b>26.9</b> | <b>30.1</b> | <b>37.6</b> | <b>48.8</b> |

### Key Ratios

| FYE Jun (RM m)     | FY25   | FY26   | FY27F  | FY28F  | FY29F  |
|--------------------|--------|--------|--------|--------|--------|
| EPS (sen)          | 6.69   | 7.82   | 8.74   | 10.94  | 14.19  |
| P/E (x)            | 10.3x  | 8.8x   | 7.9x   | 6.3x   | 4.9x   |
| P/B (x)            | 1.0x   | 0.9x   | 0.9x   | 0.8x   | 0.7x   |
| EV/EBITDA (x)      | 5.0x   | 4.4x   | 3.6x   | 2.9x   | 1.6x   |
| DPS (sen)          | 1.3    | 1.3    | 1.40   | 1.97   | 2.84   |
| Dividend Yield (%) | 1.9%   | 1.9%   | 2.0%   | 2.9%   | 4.1%   |
| EBITDA margin (%)  | 9.7%   | 9.6%   | 9.1%   | 9.0%   | 10.1%  |
| EBIT margin (%)    | 8.1%   | 8.2%   | 7.6%   | 7.5%   | 8.6%   |
| PBT margin (%)     | 7.7%   | 7.8%   | 7.5%   | 7.4%   | 8.6%   |
| PAT margin (%)     | 6.0%   | 5.9%   | 5.7%   | 5.6%   | 6.5%   |
| NP margin (%)      | 6.0%   | 5.9%   | 5.7%   | 5.6%   | 6.5%   |
| CNP margin (%)     | 5.6%   | 6.0%   | 5.7%   | 5.6%   | 6.5%   |
| ROE (%)            | 10.0%  | 10.7%  | 10.9%  | 12.3%  | 14.1%  |
| ROA (%)            | 5.3%   | 6.6%   | 6.7%   | 7.5%   | 8.8%   |
| Gearing (%)        | 42.4%  | 28.7%  | 26.1%  | 23.5%  | 20.8%  |
| Net gearing (%)    | -16.3% | -19.9% | -23.1% | -20.7% | -33.2% |

| Sum-of-the-Parts Valuation                                            | Equity Value (RM' m) | Valuation Method |
|-----------------------------------------------------------------------|----------------------|------------------|
| Facilities                                                            | 70.0                 | 7x FY28F PER     |
| Environment                                                           | 218.8                | 13x FY28F PER    |
| Engineering                                                           | 162.2                | 15x FY28F PER    |
| Rail                                                                  | 27.9                 | 7x FY28F PER     |
| Holding / Corporate cost (valued at par - not a re-rated bu SOP Value | -4.0                 | 1x FY28F PER     |
|                                                                       | 475.0                |                  |
| Warrant exercise proceeds (RM m) — added to equity val                | 60.2                 |                  |
| Enlarged Share Base (m share)                                         | 428.828              |                  |
| <b>Fair Value</b>                                                     | <b>1.25</b>          |                  |
| ESG premium/discount                                                  | 0%                   |                  |
| <b>Implied Fair Value (RM)</b>                                        | <b>1.25</b>          |                  |

Source: Company, Apex Securities

### Balance Sheet

| FYE Jun (RM m)                       | FY25         | FY26         | FY27F        | FY28F        | FY29F        |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Cash &amp; short term balance</b> | <b>134.5</b> | <b>121.7</b> | <b>135.5</b> | <b>135.4</b> | <b>186.6</b> |
| Receivables                          | 143.3        | 145.3        | 172.2        | 217.4        | 244.1        |
| Contract assets                      | 47.6         | 31.0         | 31.3         | 42.5         | 20.2         |
| Other current assets                 | 43.0         | 40.5         | 40.5         | 40.5         | 40.5         |
| <b>Total Current Assets</b>          | <b>368.4</b> | <b>338.5</b> | <b>379.5</b> | <b>435.7</b> | <b>491.4</b> |
| Fixed Assets                         | 18.9         | 18.6         | 16.2         | 13.1         | 9.7          |
| Intangibles                          | -            | -            | -            | -            | -            |
| Other non-current assets             | 47.8         | 52.7         | 52.7         | 52.7         | 52.7         |
| <b>Total Non-Current Assets</b>      | <b>66.7</b>  | <b>71.3</b>  | <b>68.9</b>  | <b>65.8</b>  | <b>62.4</b>  |
| Short-term debt                      | 46.9         | 33.8         | 33.8         | 33.8         | 33.8         |
| Payables                             | 80.0         | 71.8         | 85.1         | 107.4        | 120.6        |
| Other current liabilities            | 28.7         | 15.5         | 15.5         | 15.5         | 15.5         |
| <b>Total Current Liabilities</b>     | <b>155.6</b> | <b>121.1</b> | <b>134.4</b> | <b>156.7</b> | <b>169.9</b> |
| Long-term debt                       | 50.3         | 38.1         | 38.1         | 38.1         | 38.1         |
| Other non-current liabilities        | -            | 0.1          | 0.1          | 0.1          | 0.1          |
| <b>Total Non-Current Liabilities</b> | <b>50.3</b>  | <b>38.2</b>  | <b>38.2</b>  | <b>38.2</b>  | <b>38.2</b>  |
| <b>Shareholder's equity</b>          | <b>229.1</b> | <b>250.3</b> | <b>275.6</b> | <b>306.4</b> | <b>345.5</b> |
| Minority interest                    | -            | -            | -            | -            | -            |
| <b>Total Equity</b>                  | <b>229.1</b> | <b>250.3</b> | <b>275.6</b> | <b>306.4</b> | <b>345.5</b> |

### Cash Flow

| FYE Jun (RM m)                          | FY25          | FY26          | FY27F        | FY28F        | FY29F        |
|-----------------------------------------|---------------|---------------|--------------|--------------|--------------|
| <b>Pre-tax profit</b>                   | <b>31.7</b>   | <b>34.8</b>   | <b>39.6</b>  | <b>49.6</b>  | <b>64.3</b>  |
| Depreciation & amortisation             | 6.5           | 6.5           | 7.7          | 9.7          | 10.9         |
| Changes in working capital              | 0.4           | (15.4)        | (13.9)       | (34.0)       | 8.7          |
| Others (incl. tax paid)                 | (10.4)        | 3.1           | (9.5)        | (11.9)       | (15.5)       |
| <b>Operating cash flow</b>              | <b>28.2</b>   | <b>29.0</b>   | <b>23.9</b>  | <b>13.3</b>  | <b>68.5</b>  |
| Capex                                   | (2.4)         | (3.8)         | (5.3)        | (6.7)        | (7.5)        |
| Others                                  | 6.2           | 4.8           | -            | -            | -            |
| <b>Investing cash flow</b>              | <b>3.8</b>    | <b>1.0</b>    | <b>(5.3)</b> | <b>(6.7)</b> | <b>(7.5)</b> |
| Dividends paid                          | (4.2)         | (3.4)         | (4.8)        | (6.8)        | (9.8)        |
| Others                                  | (7.4)         | (22.5)        | -            | -            | -            |
| <b>Financing cash flow</b>              | <b>(11.6)</b> | <b>(25.9)</b> | <b>(4.8)</b> | <b>(6.8)</b> | <b>(9.8)</b> |
| <b>Net cash flow</b>                    | <b>20.3</b>   | <b>(9.0)</b>  | <b>13.8</b>  | <b>(0.1)</b> | <b>51.2</b>  |
| Forex                                   | (5.9)         | (3.8)         | -            | -            | -            |
| Others                                  | -             | -             | -            | -            | -            |
| Beginning cash and cash equivalents     | 118.1         | 133.6         | 121.7        | 135.5        | 135.4        |
| <b>Ending cash and cash equivalents</b> | <b>133.6</b>  | <b>121.7</b>  | <b>135.5</b> | <b>135.4</b> | <b>186.6</b> |

## ESG Matrix Framework:

## Environment

| Parameters       | Rating | Comments                                                                                                                                                                                                                                  |
|------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Climate          | ★★★    | Total GHG emissions decreased by 12.1% YoY to 603.82 tCO <sub>2</sub> e in FY2025 (down from 687.3 tCO <sub>2</sub> e in FY2024)                                                                                                          |
| Waste & Effluent | ★★★    | Waste management aligns with industry standards and regulatory requirements as well as minimise environmental impact.                                                                                                                     |
| Energy           | ★★     | Reported energy consumption rose to <b>1,346.15 MWh in FY2025</b> (from 341.50 MWh in FY2024). This increase is due to expanding data coverage in FY2025 to include major subsidiaries AWC Facilities, DDT, and Qudotech alongside STREAM |
| Water            | ★★     | Reported water consumption increased to <b>3.1 megalitres (ML) in FY2025</b> (from 1.1 ML in FY2024). This is due to expanding data coverage in FY2025 to include STREAM and AWC Facilities.                                              |
| Compliance       | ★★★    | The Group recorded <b>zero cases, fines, or penalties</b> related to environmental non-compliance in FY2025                                                                                                                               |

## Social

|                                |     |                                                                                                                                                                                                                                                                                  |
|--------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Diversity                      | ★★  | Female representation reached <b>35% in the overall workforce</b> and <b>20% at the senior management level</b> . Board-level female representation remained at <b>20%</b> (1 of 5 directors).                                                                                   |
| Human Rights                   | ★★★ | Recorded <b>zero instances of non-compliance or violations</b> of human and labour standards from FY2023 to FY2025.                                                                                                                                                              |
| Occupational Safety and Health | ★★★ | Total training hours surged by <b>80.6% YoY to 9,616 hours</b> in FY2025 (up from 5,326 hours in FY2024) across 1,488 participating employees. Maintained <b>zero fatalities</b> , though Lost-Time Incident Rate (LTIR) ticked up to 0.94 (2 minor injuries) from 0.09 in FY24. |
| Labour Practices               | ★★★ | Adheres strictly to all national and international labour standards with zero reported compliance breaches                                                                                                                                                                       |

## Governance

|              |     |                                                                                                                                                                                                                  |
|--------------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CSR Strategy | ★★★ | Active community engagement continued across 13 beneficiary organizations, but total CSR expenditures decreased to <b>RM21,359</b> in FY2025 (down from the previous year's peak of RM147k)                      |
| Management   | ★★★ | The Board has been restructured to a streamlined <b>5-member board</b> . Independent Directors constitute <b>60%</b> (3 out of 5), satisfying the MCCG recommendation of at least 50% independent representation |
| Stakeholders | ★★★ | Regularly organizes corporate events and holds virtual annual general meetings (AGMs) to support active investor engagement                                                                                      |

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.