

Research Team

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Recommendation:	BUY
Current Price:	RM 0.42
Previous Target Price:	RM 0.60
Target Price:	↔ RM 0.60
Capital Upside/ Downside:	42.9%
Dividend Yield (%):	4.5%
Total Upside/ Downside:	47.3%

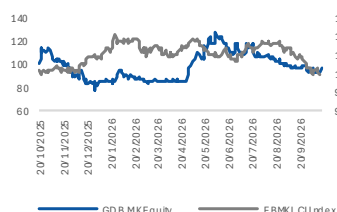
Stock Information

Board	MAIN
Sector	Construction
Bursa / Bloomberg Code	0198 / GDB MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	1,031.3
Market Cap (RM' m)	433.1
52-Week Price Range (RM)	0.57-0.33
Beta (x)	1.2
Free float (%)	37.8
3M Average Volume (m)	1.6
3M Average Value (RM' m)	0.7

Top 3 Shareholders

	(%)
Young Andy Lai Wee	14.7
Chc Holdings Sdn Bhd	11.3
Lo Tzone Leong	11.3

Share Price Performance



	1M	3M	12M
Absolute (%)	-1.2	-16.0	-4.5
Relative (%)	3.1	-8.9	-3.9

Earnings Summary

FYE Dec	FY25	FY26F	FY27F
Revenue (RM'm)	748.1	760.0	721.3
PATAMI (RM'm)	54.3	71.6	64.5
CNP (RM'm)	106.2	71.6	64.5
EPS - core (sen)	10.3	6.9	6.3
P/E(x)	4.1	6.1	6.7

Source: Company, Apex Securities

GDB Holdings Bhd

Sarawak Flood Forecasting Win Lifts YTD Wins to RM795.3m

- GDB secured a RM119.0m sub-contract from I-Ilham Corporation for the National Flood Forecasting and Warning Programme (PRAB) Phase 3 in Sarawak, scheduled for completion by 29 November 2029.
- It is GDB's fourth Sarawak infrastructure win, lifting cumulative Sarawak construction value to RM355.9m and FY26 YTD wins to RM795.3m, or 79.5% of management's RM1.0bn target.
- The Group's tender book now stands at c.RM4.3bn, comprising prospective projects spanning industrial, data centre, commercial, mixed-use, infrastructure, and residential sectors.
- Maintain BUY with an unchanged TP of RM0.60, based on 9.5x P/E applied to FY27F EPS of 6.3 sen.

Sub-contract award. GDB, through its wholly-owned subsidiary, GDB Infra Sdn Bhd, accepted a sub-contract from I-Ilham Corporation Sdn Bhd on 2 August 2026 for the construction and completion works of the Program Ramalan dan Amaran Banjir (PRAB) Fasa 3 Sarawak, for a sub-contract sum of RM119.0m. The commencement date is effective from acceptance, with completion scheduled by 29 November 2029, a tenure of about 40 months. Disclosure was held back pending clearance from I-Ilham, which was obtained on 19 October. GDB intends to fund the works through internally generated funds and bank borrowings, and the contract has no impact on share capital or shareholdings.

Our View. We view the award **positively**. At RM119.0m, the contract is the largest of GDB's four Sarawak infrastructure contracts, ahead of the New Song Water Treatment Plant (RM115.5m). The win also deepens GDB's East Malaysia footprint, with Sarawak now accounting for RM355.9m, or 44.7%, of FY26 YTD wins of RM795.3m. Applying a conservative c.5-6% PAT margin, we estimate the contract could contribute c.RM6.0m-RM7.1m in cumulative PAT, or c.RM1.8m-RM2.1m a year over its c.40-month tenure, equivalent to c.2.8%-3.3% of our FY27F core net profit. A national-level flood forecasting programme further broadens the Group's credentials beyond roadworks and water treatment into climate resilience infrastructure, which should help it qualify for similar jobs. Execution is a consideration, as GDB will be delivering four early-stage Sarawak projects concurrently alongside its existing order book, which will test project management and working capital.

Outlook. With YTD wins of RM795.3m, GDB has achieved 79.5% of management's RM1.0bn FY26 orderbook replenishment target, leaving RM204.7m to be secured by year-end, which is less than 5% of its RM4.3bn tender book. Flood mitigation remains a public spending priority, with Budget 2027 naming three new flood mitigation projects, Kuching City, Sungai Golok Phase 2 and Sungai Kemaman, while 82 existing projects progress on schedule, alongside a development expenditure allocation of RM83bn for 2027 (2026: RM81bn). GDB's East Malaysia push, supported by the newly incorporated GDB Construction, should position it to capture more infrastructure-related tenders in Sarawak. Near term, the key tests are converting the tender book into wins in 4QFY26 and executing four early-stage Sarawak projects concurrently.

Earnings Revision. We make no changes to our earnings forecast as the award falls within our orderbook replenishment assumption of RM1.3bn for FY26.

Valuation & Recommendation. We maintain our **BUY** recommendation on GDB with an unchanged TP of **RM0.60**, based on 9.5x P/E applied to FY27F EPS of 6.3 sen, alongside a three-star ESG rating. We continue to like GDB for (i) **its sizeable tenderbook of c.RM4.3bn**, (ii) **its expansion into Sarawak infrastructure works**, and (iii) **its diversification into property development**.

Risks. Rising material prices, failure to secure new contracts and risk of Liquidated Ascertained Damages (LAD).

Company Update

Tuesday, 20 Oct, 2026

Financial Highlights

Income Statement

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	258.2	748.1	760.0	721.3	686.0
Gross Profit	55.8	125.7	105.0	95.1	88.1
EBITDA	43.4	122.3	100.5	91.3	84.1
Depreciation & Amortisation	-3.4	-12	-3.6	-3.9	-3.9
EBIT	40.0	121.0	96.9	87.4	80.2
Net Finance Income/ (Cost)	0.0	0.0	0.0	0.0	0.0
Associates & JV	0.0	0.0	0.0	0.0	1.0
Pre-tax Profit	40.0	69.1	96.9	87.4	80.2
Tax	-13.3	-14.7	-25.1	-22.7	-21.3
Profit After Tax	26.7	54.4	71.8	64.7	58.9
(-) Minority Interest	0.0	0.2	0.2	0.2	0.2
Net Profit	26.8	54.3	71.6	64.5	58.7
(-) Exceptionals	-9.9	-51.9	0.0	0.0	0.0
Core Net Profit	36.7	106.2	71.6	64.5	58.7

Key Ratios

FYE Dec	FY24	FY25	FY26F	FY27F	FY28F
Revenue Growth (%)	-19.2%	189.7%	1.6%	-5.1%	-4.9%
CNP Growth (%)	640.1%	189.4%	-32.6%	-9.9%	-8.9%
Core EPS (sen)	3.6	10.3	6.9	6.3	5.7
P/E (x)	11.8	4.1	6.1	6.7	7.4
P/B (x)	2.2	1.6	1.3	1.2	1.1
EV/EBITDA (x)	8.1	1.9	2.6	2.3	5.1
DPS (sen)	0.0	1.0	2.1	1.9	1.7
Dividend Yield (%)	0.0%	2.4%	5.0%	4.5%	4.1%
EBITDA margin (%)	16.8%	16.3%	13.2%	12.7%	12.3%
EBIT margin (%)	15.5%	16.2%	12.7%	12.1%	11.7%
PBT margin (%)	15.5%	9.2%	12.7%	12.1%	11.7%
PAT margin (%)	10.4%	7.3%	9.4%	9.0%	8.6%
NP margin (%)	10.4%	7.3%	9.4%	8.9%	8.6%
CNP margin (%)	14.2%	14.2%	9.4%	8.9%	8.6%
ROE (%)	18.7%	38.8%	22.1%	17.5%	14.3%
ROA (%)	9.8%	21.9%	13.3%	11.2%	9.5%
Gearing (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Assumptions

Orderbook replenishment (RM m)*	902.0	0.0	1300.0	900.0	900.0
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*Historical numbers reflect actual orderbook replenishment

Valuations FY27F

Core EPS (RM)	0.063
P/E multiple (x)	9.5
Fair Value (RM)	0.60
ESG premium/discount	0.0%
Implied Fair Value (RM)	0.60

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash	81.1	201.0	172.5	226.7	275.3
Receivables	153.4	100.4	102.0	96.8	92.1
Inventories	0.0	1.0	2.0	3.0	4.0
Other current assets	123.5	162.8	165.4	157.0	149.3
Total Current Assets	358.1	469.3	520.7	561.3	597.5
Fixed Assets	14.6	16.4	16.2	16.6	17.8
Intangibles	0.0	1.0	2.0	3.0	4.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Total Non-Current Assets	14.6	16.4	16.2	16.6	17.8
Short-term debt	0.0	0.0	0.0	0.0	0.0
Payables	161.7	185.2	194.9	186.3	177.9
Other current liabilities	15.0	27.1	18.3	22.5	27.0
Total Current Liabilities	176.7	212.2	213.1	208.8	204.9
Long-term debt	0.0	0.0	0.0	0.0	0.0
Other non-current liabilities	0.0	0.0	0.0	0.0	0.0
Total Non-Current Liabilities	0.0	0.0	0.0	0.0	0.0
Shareholder's equity	195.2	272.5	322.7	367.8	408.9
Minority interest	0.8	1.0	1.2	1.3	1.5
Total Equity	196.0	273.5	323.8	369.1	410.4

Cash Flow

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	40.0	69.1	96.9	87.4	80.2
Depreciation & amortisation	3.4	3.8	3.6	3.9	3.9
Changes in working capital	-43.5	-1.8	-7.5	5.1	4.0
Others	2.2	33.3	-25.2	-24.0	-22.7
Operating cash flow	2.1	104.4	67.8	72.4	65.4
Net capex	-2.4	-5.5	-3.4	-4.3	-5.0
Others	2.4	3.0	4.3	5.5	5.9
Investing cash flow	0.0	-2.5	0.9	1.2	0.8
Dividends paid	0.0	-15.9	-21.5	-19.3	-17.6
Others	0.8	21.9	0.0	0.0	0.0
Financing cash flow	0.8	5.9	-21.5	-19.3	-17.6
Net cash flow	2.9	107.8	47.2	54.2	48.7
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash & cash equivalent	69.0	66.9	99.0	146.2	200.4
Ending cash & cash equivalent	71.9	174.7	146.2	200.4	249.0
Fixed deposits with licensed banks	9.2	26.3	26.3	26.3	26.3
Placement in short-term investment	5.0	75.8	0.0	0.0	0.0
Total cash & deposits	81.1	201.0	172.5	226.7	275.3

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★	Scope 1 emissions increased to 2,838.43 tCO ₂ e (FY24: 1,833.81 tCO ₂ e), while Scope 2 emissions rose to 1,983.45 tCO ₂ e (FY2024: 482.14 tCO ₂ e), in line with higher fuel consumption and electricity usage across active project sites. For Scope 3, emissions increased to 1,528.72 tCO ₂ e in FY2025 (FY24: 1,254.83 tCO ₂ e), reflecting increased workforce activity levels.
Waste & Effluent	★★★	Recycled 66% of waste generated in FY25, an improvement of 8% from FY24.
Energy	★★	Total energy consumption stood at 50,858.33 GJ in FY25, a 121% increase from 23,050.44 GJ in FY24.
Water	★★	Total water consumption increased to 75,031 m ³ in FY25, a 40% increase from 53,683 m ³ in FY24.
Compliance	★★★	In compliance with local environmental regulations.

Social

Diversity	★★	Male-dominated workforce, 74% male and 26% female composition.
Human Rights	★★★	0 human rights violations and incidence of non-compliance with regards to labour matters recorded in FY25.
Occupational Safety and Health	★★★	0 lost time incidents and fatality recorded in FY25.
Labour Practices	★★★	Meets the standards mandated by the Workers' Minimum Standards of Housing, Accommodations, and Amenities (Amendment) Act 2019.

Governance

CSR Strategy	★★★	The Group contributed RM20,206 towards upgrading works at SJKC Soo Jin in Pekan Kapar, the UOB Heartbeat Run fundraiser organised in partnership with the SOLS Foundation, as well as community activities organised by Persatuan Penganut Dewa Lin San Kuala Lumpur and Bomba Klang in conjunction with its Hari Raya celebration event.
Management	★★★	1/8 female board composition, 3/8 independent directors.
Stakeholders	★★★	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

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As of **Tuesday, 20 Oct, 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.