

28 April 2026

Uzma

Water Pump Project in the Bag

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UZMA has secured a c. RM100m worth PWIM O&M contract from Petronas Carigali for 7 years firm with 2 years' extensions. The asset will service the Bayan redevelopment Phase 3 project albeit the PAT contribution will contribute to a modest 2% to FY26F PAT and the win is deemed within our expectations. Regardless, the win is an early sign of Petronas still maintaining its intention to still spend opex to maintain its existing production in Sarawak waters despite the uncertainty with PETROS. We maintain our forecasts, TP of RM0.70 pegged to 7x PER target and OUTPERFORM call.

UZMA has been awarded a contract by Petronas Carigali for the provision of leasing and operation & maintenance (O&M) of a portable water injection module (PWIM) for Bayan redevelopment Phase 3 project. The contract is effective 27th March 2026 and shall remain valid for the period of eight years. In the first year, UZMA will cover the EPCC of the PWIM unit followed by O&M contract period to Petronas for seven years, with an option for a further two-year extension.

FY26F YTD wins were at c.RM900m (assuming the latest win is at RM100m), c. 99% of our full-year replenishment forecast but we still deem the win within our expectations as work orders might take time to ramp up in the first year of execution (work recognised based on work order). The PAT contribution is expected to be modest at RM1.2m per annum once the PWIM is up and running, 2% of FY26F earnings. Nevertheless, this is an early positive sign for the company as the Bayan field is 80km north-west of Bintulu, Sarawak, which indicates that Petronas is still looking to at least boost production at its producing fields despite the ongoing dispute with PETROS.

Forecasts. Maintain.

Valuations. Correspondingly, we maintain our TP at RM0.70 pegged to unchanged FY27F 7x PER, pricing in near-term uncertainties in the upstream segment and reflective of its highly geared balance sheet. The 40% valuation discount to our target 10x PER for upstream service providers is deemed extremely conservative given that the group is still showing consistent earnings growth.

There is no adjustment to our TP based on ESG given a 3-star rating as appraised by us (see Page 4).

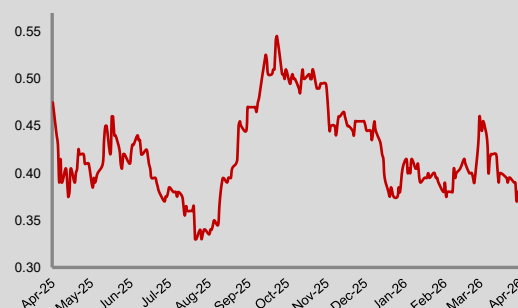
Investment case. We like UZMA due to: (i) resilient oil & gas division business outlook as its forte remains in brownfield jobs which are severely discounted by the market presently despite seeing near term positive momentum, (ii) its active thrust into sustainable businesses via its new energy segment which enhances UZMA's ESG appeal and help future proof its earnings, and (iii) new digitisation segment provides long-term upside from geospatial solutions provision but remain insignificant for the time being. Maintain **OUTPERFORM**.

Risks to our call include: (i) sharp decline in crude oil prices, (ii) poor project execution on new energy division leading to cost overruns and delays, and (iii) opex pressure emanating from an inflationary environment, particularly on expenses for manpower and materials.

OUTPERFORM ↔

Price : **RM0.44**
Target Price : **RM0.70** ↔

Share Price Performance



KLCI 1,676.86
YTD KLCI chg -0.2%
YTD stock price chg 5.3%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	UZMA MK Equity
Market Cap (RM m)	238.1
Shares Outstanding	595.3
52-week range (H)	0.56
52-week range (L)	0.32
3-mth avg daily vol:	3,172,838
Free Float	85%
Beta	0.9

Major Shareholders

Tenggiri Tuah Sdn Bhd	22.7%
Norges Bank	5.3%
Citigroup Inc	3.4%

Summary Earnings Table

FY June (RM m)	2025A	2026F	2027F
Turnover	725.1	746.7	777.9
EBIT	103.8	100.0	100.4
PBT	77.0	74.9	80.2
Net Profit	53.5	57.2	61.5
Core Net Profit	53.5	57.2	61.5
Consensus (NP)		59.4	68.4
Earnings Revision (%)		-	-
EPS (sen)	9.0	9.4	10.0
EPS Growth (%)	6.8	5.0	5.9
DPS (sen)	0.0	0.0	0.0
BV/share (RM)	1.1	1.2	1.3
PER (x)	4.9	4.7	4.4
P/BV (x)	0.4	0.4	0.3
Net-Gearing (x)	1.2	1.2	1.1
Div. Yield (%)	0.0	0.0	0.0

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Income Statement

FY Jun (RM m)	2023A	2024A	2025A	2026F	2027F
Revenue	474.0	600.7	725.1	746.7	777.9
EBIT	59.1	126.7	103.8	100.0	100.4
Interest Exp	-18.0	-19.9	-25.1	-23.5	-18.4
Associate	2.4	0.0	-1.7	-1.7	-1.7
PBT	43.5	61.6	77.0	74.9	80.2
Taxation	-3.1	-7.5	-21.2	-15.3	-16.4
MI	-1.3	-4.0	-2.3	-2.3	-2.3
Net Profit	39.0	50.1	53.5	57.2	61.5
Core profit	39.0	50.1	53.5	57.2	61.5

Balance Sheet

FY Jun (RM m)	2023A	2024A	2025A	2026F	2027F
Fixed Assets	542.5	796.6	1091.8	1227.9	1360.3
Intangible Assets	206.1	202.2	192.6	192.6	192.6
Other LT assets	39.6	44.7	42.6	42.6	42.6
Inventories	47.2	67.8	57.3	83.4	63.0
Receivables	327.7	253.7	198.8	259.8	270.7
Other CA	88.4	45.1	118.7	118.7	118.7
Cash	95.6	133.3	103.8	151.1	104.0
Total Assets	1347.2	1543.5	1805.7	2076.1	2151.8
Payables	209.4	191.2	131.1	244.4	258.5
ST Borrowings	184.7	259.3	268.3	268.3	268.3
Other ST Liability	95.5	27.7	70.2	70.2	70.2
LT Borrowings	212.3	358.6	597.9	697.9	697.9
Other LT Liability	75.1	60.5	75.0	75.0	75.0
Minorities Int.	30.4	32.4	20.8	20.8	20.8
Perpetual	40.9	0.0	0.0	0.0	0.0
Net Assets	499.0	613.8	642.5	699.7	761.2
Share Capital	307.5	384.3	388.0	388.0	388.0
Reserves	191.4	229.5	254.5	311.7	373.2
Equity	499.0	613.8	642.5	699.7	761.2

Cashflow Statement

FY Jun (RM m)	2023A	2024A	2025A	2026F	2027F
Operating CF	146.9	99.1	122.9	147.2	152.9
Investing CF	-86.3	-36.0	-365.3	-200.0	-200.0
Financing CF	-74.1	220.9	187.5	100.0	0.0

Financial Data & Ratios

FY Jun (RM m)	2023A	2024A	2025A	2026F	2027F
Growth (%)					
Revenue	25.4	26.7	20.7	3.0	4.2
Operating Profit	64.9	114.5	-18.1	-3.6	0.3
PBT	155.5	41.8	25.0	-2.8	7.2
Net Profit	192.9	28.4	6.8	6.8	7.5
Profitability (%)					
Operating Margin	12.5	21.1	14.3	13.4	12.9
PBT Margin	9.2	10.3	10.6	10.0	10.3
Net Margin	8.2	8.3	7.4	7.7	7.9
Effective Tax Rate	7.1	12.1	27.5	20.4	20.4
ROA	1.81	1.06	2.90	3.10	3.18
ROE	7.8	8.2	8.3	8.2	8.1
DuPont Analysis					
Net Margin (%)	8.2	8.3	7.4	7.7	7.9
Assets Turnover (x)	0.4	0.4	0.4	0.4	0.4
Leverage Factor (x)	2.7	2.5	2.8	3.0	2.8
ROE (%)	7.8	8.2	8.3	8.2	8.1
Leverage					
Debt/Asset (x)	0.29	0.40	0.48	0.47	0.45
Debt/Equity (x)	0.74	1.01	1.35	1.38	1.27
N. Debt/(Cash	301.34	484.56	762.35	815.11	862.20
Net Debt/Equity (x)	0.60	0.79	1.19	1.16	1.13
Valuations					
EPS (sen)	6.56	8.42	9.00	9.45	10.00
DPS (sen)	0.00	0.00	0.00	0.00	0.00
BVPS (RM)	0.96	1.09	1.11	1.21	1.31
PER (x)	6.10	4.75	4.45	4.23	4.00
Div. Yield (%)	0.00	0.00	0.00	0.00	0.00
P/BV (x)	0.42	0.37	0.36	0.33	0.30

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Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside	Market Cap (RM m)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE	Net Div. (sen)	Net Div Yld
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.				
Stocks Under Coverage																	
BUMI ARMADA BHD	OP	0.355	0.410	15.5%	2,104.4	Y	12/2026	4.7	4.5	-14.8%	-3.7%	7.6	7.9	0.5	6.1%	95.0	267.6%
DAYANG ENTERPRISE HLDGS BHD	MP	1.94	2.45	26.3%	2,246.1	Y	12/2026	16.1	18.8	7.8%	17.0%	12.1	10.3	1.2	9.8%	11.0	5.7%
DIALOG GROUP BHD	OP	2.28	2.28	0.0%	12,865.3	Y	06/2026	10.4	11.4	31.4%	9.7%	21.9	19.9	2.1	9.9%	5.0	2.2%
LIANSON FLEET GROUP BHG	OP	1.80	2.40	33.3%	2,102.6	Y	12/2026	20.6	27.3	142.4%	32.3%	8.7	6.6	1.1	13.2%	400.0	222.2%
KEYFIELD INTERNATIONAL	MP	1.44	1.60	11.1%	1,162.1	Y	12/2026	14.7	16.0	7.5%	8.4%	9.8	9.0	1.4	15.1%	8.0	5.6%
MISC BHD	OP	8.27	8.60	4.0%	36,915.2	Y	12/2026	47.3	49.5	-0.4%	4.6%	17.5	16.7	1.1	6.2%	36.0	4.4%
PETRONAS CHEMICALS GROUP	OP	5.88	4.90	-16.7%	47,040.0	Y	12/2026	4.0	4.1	-48.7%	0.6%	145.5	144.6	1.3	0.9%	2.0	0.3%
PETRONAS DAGANGAN BHD	MP	20.96	21.20	1.1%	20,822.8	Y	12/2026	116.9	116.5	5.7%	-0.4%	17.9	18.0	3.4	19.1%	94.0	4.5%
UZMA BHD	OP	0.400	0.700	75.0%	238.1	Y	06/2026	9.4	10.0	6.9%	7.5%	4.7	4.4	0.2	8.5%	0.0	0.0%
VELESTO ENERGY BHD	MP	0.345	0.320	-7.2%	2,841.2	Y	12/2026	2.2	2.6	3.7%	18.1%	15.7	13.3	1.2	7.5%	2.0	5.8%
WASCO BHD	OP	1.11	1.45	30.6%	859.5	Y	12/2026	1.8	2.0	-15.7%	6.4%	60.3	56.7	6.4	11.3%	6.0	5.4%
YINSON HOLDINGS BHD	OP	2.35	2.84	20.9%	6,867.6	N	01/2027	16.6	20.4	20.3%	22.3%	14.1	11.5	1.4	10.1%	6.0	2.6%
SECTOR AGGREGATE					136,064.9					27.2%	6.5%	23.2	21.8	1.8	9.8%		43.8%

Source: Kenanga Research

Stock ESG Ratings:

	Criterion	Rating				
GENERAL	Earnings Sustainability & Quality	★	★			
	Community Investment	★	★			
	Workers Safety & Wellbeing	★	★	★		
	Corporate Governance	★	★			
	Anti-Corruption Policy	★	★	★		
	Emissions Management	★	★	★		
SPECIFIC	Transition to Low-Carbon Future	★	★	★	★	
	Conservation & Biodiversity	★	★	★		
	Effluent/Waste Management	★	★	★		
	Water Management	★	★	★		
	Supply Chain Management	★	★			
	Energy Efficiency	★	★	★		
OVERALL		★	★	★		

☆ denotes half-star
 ★ -10% discount to TP
 ★★ -5% discount to TP
 ★★★ TP unchanged
 ★★★★ +5% premium to TP
 ★★★★★ +10% premium to TP

Stock Ratings are defined as follows:

Stock Recommendations

OUTPERFORM : A particular stock’s Expected Total Return is MORE than 10%
 MARKET PERFORM : A particular stock’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERPERFORM : A particular stock’s Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT : A particular sector’s Expected Total Return is MORE than 10%
 NEUTRAL : A particular sector’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERWEIGHT : A particular sector’s Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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