

21 May 2026

Gamuda

Record RE Win in Australia

By Teh Kian Yeong | tehky@kenanga.com.my

GAMUDA has secured its largest RE contract to date, valued at RM3.12b via DT Infrastructure to build two solar power plants with BESS in Australia. This propels its FY26 to-date win to RM24.63b (surpassing our RM22b target) and expands the order book to a record RM55.4b. With a robust order book locked in, focus now shifts to earnings delivery, with the work progress S-curve expected to peak in CY27, spanning 2HFY27 and 1HFY28. We maintain our OUTPERFORM rating at unchanged TP of RM5.30

Secured two solar EPC contracts in Australia. GAMUDA announced yesterday that its wholly-owned Australian subsidiary, DT Infrastructure (DTI), has been awarded two separate EPC contracts worth a combined AUD1.1b (RM3.12b) to construct two solar power plants integrated with BESS in Central Queensland, Australia. The breakdown is as follows:

1. AUD550m EPC contract for the Smoky Creek Solar Power Station.
2. AUD550m EPC contract for the Guthrie's Gap Solar Power Station.

The projects comprise an aggregate 720MWp of solar generation and a 600MW/2,400MWh BESS. Construction is slated to commence by mid-2026 over a 2.5-year contract duration. Following completion, DTI will also provide ongoing operations and maintenance (O&M) services for both assets.

Largest RE contract secured to date. This win follows DTI's recent AUD200m EPC contract for the 75MW Jinbi Solar Farm in Western Australia. We view this development positively as it brings GAMUDA's FY26 to-date win to RM24.63b, surpassing our full-year assumption of RM22b. This pushes the group's outstanding order book to a record RM55.4b, exceeding its end-2026 target of RM50b. Management has guided for a 5% PBT margin under fixed-price terms.

Outlook. Despite already exceeding the threshold, management is maintaining its end-2026 order book target of RM50b (on a rolling basis). Within the year, it expects tender outcomes for another two Pearl Computing data centres in Springhill. Regionally, there is a high probability of securing another project in Taiwan by 2HCY26, while the group has also been shortlisted for infrastructure projects in Brisbane and the Northland Corridor Highway in New Zealand. Domestically, Gamuda is actively bidding for the Penang LRT Package 3 (turnkey system and rolling stock).

Forecasts. While the FY to-date job wins of RM 24.63b have surpassed our RM22b assumption, we kept our FY26–FY27 earnings estimates unchanged. This is because the last three major wins (Kaohsiung MRT and the two DTI EPC jobs) are only expected to contribute from FY27 onwards. Our job win assumption for FY27 remains at RM27b, with property sales assumptions kept at RM4.5b and RM5.0b for FY26 and FY27, respectively.

Valuations. We maintain our SoP-based TP of RM5.30 (see Page 2) with its construction business valued at an unchanged 22x CY26F PER, which in line with other large-cap contractors such as **IJM (OP; TP: RM3.40)** and **SUNCON (OP; TP: RM7.76)**. The TP includes a 5% premium given a 4-star ESG rating as appraised by us (see Pages 6).

Investment case. We continue to like GAMUDA for: (i) its strong positioning in upcoming data centre tenders, (ii) its ability to secure overseas projects, (iii) its robust earnings visibility underpinned by a record outstanding order book of RM55.4b, and (iv) its inroads into the renewable energy space. Maintain **OUTPERFORM**.

OUTPERFORM ↔

Price: RM4.40
Target Price: RM5.30 ↔

Share Price Performance



KLCI	1,717.69
YTD KLCI chg	2.2%
YTD stock price chg	-11.6%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	GAM MK
Market Cap (RM m)	26,226.1
Shares Outstanding	5,960.5
52-week range (H)	5.70
52-week range (L)	3.73
3-mth avg. daily vol.	17,764,650
Free Float	85%
Beta	1.2

Major Shareholders

Employees Provident Fund	20.6%
Vanguard Group Inc	3.9%
Generasi Setia M Sdn Bhd	3.9%

Summary Earnings Table

FY Jul (RM m)	2025A	2026F	2027F
Turnover	15,970	17,500	23,000
EBIT	1,337	1,365	1,849
PBT	1,304	1,309	1,820
Net Profit	1,003	1,057	1,388
Core Net Profit	1,003	1,057	1,388
Consensus	-	1,096	1,391
Earnings Revision (%)	-	-	-
Core EPS (sen)	16.9	17.8	23.4
Core EPS Growth (%)	10.0	5.3	31.3
NDPS (sen)	10.0	10.0	10.0
BVPS (RM)	2.02	2.15	2.28
NTA/share (RM)	1.73	1.85	1.96
PER (x)	30.6	24.7	18.8
PBV (x)	2.56	2.05	1.93
P/NTA (x)	2.99	2.38	2.24
Net Gearing (x)	0.56	0.70	0.56
Net Div. Yield (%)	1.9	2.3	2.3

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Risks to our call include: (i) delay in the roll-out of key public infrastructure projects in Malaysia, which may delay margin recovery (ii) rising input costs and labour shortage, (iii) risks associated with operations in overseas markets such as the change in government policies towards foreign businesses and forex, and (iv) liquidated ascertained damages (LAD) from cost overrun and delays.

GAMUDA's Sum-of-Parts Valuation		
Segment	Value (RM m)	Valuation Basis
Construction	21,879.0	22x FY27F PER
Property	8,110.6	40% discount to RNAV
Gamuda Waters (80%-owned)	292.3	FCFF @ 10% discount rate
Upper Padas Hydropower (45%-owned)	661.4	FCFF @ 7% discount rate
Kerian Water Concession (50%-owned)	882.6	FCFF @ 7.2% discount rate
Net Debt	-1,898.1	Estimated FY27F
	<hr/>	
	29,927.8	
Issued share (m)	5,929.0	
SOP/share (RM)	5.05	
Add: 5% premium for 4-star ESG rating (RM)	0.25	
Target Price (RM)	<hr/> RM5.30 <hr/>	

Source: Kenanga Research

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.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
Stocks Under Coverage																	
GAMUDA	OP	4.40	5.30	20.5%	26,226.1	Y	07/2026	17.8	23.4	5.3%	31.3%	24.7	18.8	2.0	8.5%	10.0	2.3%
IJM	OP	2.07	3.40	64.3%	7,255.7	Y	03/2026	14.4	15.9	11.8%	10.1%	14.3	13.0	0.7	5.1%	8.0	3.9%
KERJAYA	OP	2.07	3.05	47.3%	2,602.7	Y	12/2026	16.7	18.9	29.8%	13.2%	12.4	10.9	2.2	17.8%	12.0	5.8%
KIMLUN	OP	1.05	1.50	42.9%	408.1	Y	12/2026	21.8	20.3	70.1%	-6.8%	4.8	5.2	0.5	10.3%	2.0	1.9%
SUNCON	OP	7.60	7.76	2.1%	10,101.8	Y	12/2026	32.0	33.6	0.3%	5.1%	23.8	22.6	9.3	38.9%	47.2	6.2%
WCT	OP	0.440	1.13	156.8%	685.9	Y	12/2026	4.1	4.4	19.2%	7.3%	10.7	10.0	0.2	1.9%	0.0	0.0%
SECTOR AGGREGATE					47,280.3					9.4%	18.3%	20.0	16.9	1.6	7.9%		3.3%

Source: Kenanga Research

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Stock ESG Ratings:

	Criterion	Rating				
GENERAL	Earnings Sustainability & Quality	★	★	★	★	
	Corporate Social Responsibility	★	★	★	★	
	Management/Workforce Diversity	★	★	★	★	
	Accessibility & Transparency	★	★	★	☆	
	Corruption-Free Pledge	★	★	★	☆	
	Carbon-Neutral Initiatives	★	★	★	★	☆
SPECIFIC	Migrant Worker Welfare	★	★	★	★	
	Waste Disposal/Pollution Control	★	★	★	★	
	Work Site Safety	★	★	★	★	
	Environmentally Friendly Construction Technology	★	★	★	☆	
	Supply Chain Auditing	★	★	★	★	
	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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KENANGA INVESTMENT BANK BERHAD (15678-H)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
 Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my

