

22 May 2026

# Uzma

## Underpriced Resilience

By Lim Sin Kiat, CFA / [lmsk@kenanga.com.my](mailto:lmsk@kenanga.com.my)

UZMA's 9MFY26 earnings were within our expectations but slightly below consensus. 9MFY26F earnings were stronger YoY as higher upstream seismic activities drove its oil & gas division's topline and LNG trading revenue was also significant albeit margins were lower. Its oil & gas division continued to be the growth anchor in FY26 as seismic activities are expected to ramp up alongside other sustaining brownfield activities. We maintain earnings forecasts and TP of RM0.70 pegged to 7x FY27F PER, which is already at steep discount to its upstream service peers due to its higher gearing. We maintain UZMA as our mid-cap top pick as a high beta exposure to a possible multi-year upcycle in upstream services in 2027 onwards. Maintain **OUTPERFORM**.

UZMA's 9MFY26 core profit was deemed within our expectation (65%) but slightly below consensus (62%). Typically, 3Q is the weakest quarter in its financial year and 4Q is seasonally the strongest quarter of the year. No DPS were declared in the quarter.

**YoY**, UZMA's 9MFY26 revenue surge of 79% was underpinned by higher gas trading revenue and seismic data acquisition projects. Core profit improved slower at 14% YoY however, as gas trading and seismic-related projects yields more modest margins compared to its other upstream services businesses, and depreciation costs were higher YoY.

**QoQ**, the group's topline improved 45% on gas trading and seismic revenue. However, core profit declined 15% as its higher margin services jobs were slower QoQ due to the monsoon season.

**FY26 to be buffered by lower margin works, FY27 to see further boost.** With an order book valued at RM4.1b, UZMA is well-positioned to benefit from an increase in work orders as Petronas intensifies its seismic activities in FY26 but seismic job by nature yields lower margins. LNG gas trading revenue will also increase in FY26 and FY27 due to increasing demand for gas in Peninsular Malaysia as a feedstock for power generation. Its other higher margin upstream service businesses will see more ramp up from FY27 onwards. In its digitalisation & technology segment, its UZMASAT1 satellite's capabilities were showcased in the launching ceremony of the National Defense Industry Policy (DIPS), paving its way into more adoption of its satellite solutions.

**Forecasts.** Maintained.

**Valuations.** Correspondingly, we maintain our TP at RM0.70 (pegged to FY27F 7x PER, which is already a discounted level compared to other peers at 10x-13x PER target pre-upcycle but with lower balance sheet risk. There is no adjustment to our TP based on ESG given a 3-star rating as appraised by us (see Page 4).

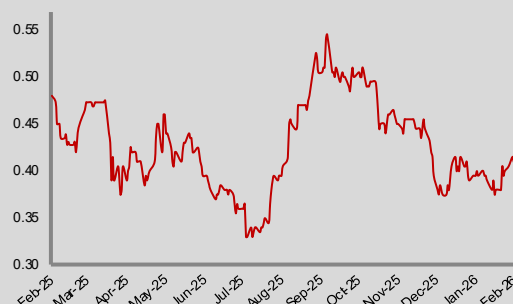
**Investment case.** We like UZMA due to: (i) its resilient oil & gas division business outlook as its forte remains in brownfield jobs, (ii) its active thrust into sustainable businesses via its new energy segment which enhances UZMA's ESG appeal and help future proof its earnings, and (iii) its new digitisation segment provides long-term upside from geospatial solutions provision. 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 : **RM0.43**  
Target Price : **RM0.70** ↔

### Share Price Performance



KLCI	1,740.94
YTD KLCI chg	3.6%
YTD stock price chg	3.9%

### Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	UZMA MK Equity
Market Cap (RM m)	235.2
Shares Outstanding	595.3
52-week range (H)	0.56
52-week range (L)	0.32
3-mth avg daily vol:	1,972,379
Free Float	85%
Beta	0.9

### Major Shareholders

Tenggiri Tuah Sdn Bhd	22.7%
Urus Harta	5.3%
National Trust Fund	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
<b>Net Profit</b>	<b>53.5</b>	<b>57.2</b>	<b>61.5</b>
<b>Core Net Profit</b>	<b>53.5</b>	<b>57.2</b>	<b>61.5</b>
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)	-	-	-
BV/Share (RM)	1.1	1.2	1.3
PER (x)	4.8	4.6	4.3
P/BV (x)	0.4	0.4	0.3
Net-Gearing (x)	1.2	1.2	1.1
Div. Yield (%)	-	-	-

22 May 2026

Income Statement								
	3Q	2Q	Q-o-Q	3Q	Y-o-Y	9M	9M	Y-o-Y
	FY26	FY26		FY25		FY26	FY25	
<b>FYE June (RM m)</b>								
Revenue	419.5	289.7	44.8%	168.7	148.7%	914.4	512.2	78.5%
Cost of sales	(359.3)	(222.1)	61.8%	(98.2)	265.7%	(718.7)	(327.4)	119.5%
<b>Gross profit</b>	<b>60.2</b>	<b>67.6</b>	<b>-10.9%</b>	<b>70.5</b>	<b>-14.6%</b>	<b>195.8</b>	<b>184.8</b>	<b>5.9%</b>
Other income	1.2	1.6	-21.1%	0.7	77.1%	3.4	3.7	-8.3%
Administrative expenses	(41.0)	(45.8)	-10.5%	(48.0)	-14.7%	(129.1)	(126.3)	2.2%
Depreciation	(14.6)	(14.6)	0.0%	(13.6)	7.5%	(43.9)	(34.8)	26.2%
<b>Operating Profit</b>	<b>20.5</b>	<b>23.4</b>	<b>-12.3%</b>	<b>23.1</b>	<b>-11.5%</b>	<b>70.0</b>	<b>62.1</b>	<b>12.7%</b>
Finance costs	(7.6)	(8.8)	-12.7%	(8.2)	-7.0%	(23.6)	(19.7)	20.2%
Associates	1.4	0.0	3375.6%	(0.1)	-2950.0%	2.2	(0.1)	-
<b>Profit before tax</b>	<b>14.3</b>	<b>14.6</b>	<b>-2.6%</b>	<b>14.9</b>	<b>-4.1%</b>	<b>48.6</b>	<b>42.4</b>	<b>14.6%</b>
Tax expense	(3.0)	(2.2)	38.9%	(4.2)	-28.7%	(20.1)	(9.1)	121.6%
Non-controlling interest	(0.9)	(0.3)	203.7%	(0.1)	1646.2%	(1.4)	(0.6)	150.5%
<b>Net profit</b>	<b>10.3</b>	<b>12.2</b>	<b>-15.0%</b>	<b>10.6</b>	<b>-2.5%</b>	<b>37.0</b>	<b>33.7</b>	<b>9.9%</b>
<b>Core net profit</b>	<b>10.3</b>	<b>12.2</b>	<b>-15.0%</b>	<b>10.6</b>	<b>-2.5%</b>	<b>37.0</b>	<b>32.4</b>	<b>14.0%</b>
Gross margin	14.4%	23.3%		41.8%		21.4%	36.1%	
PBT margin	3.4%	5.1%		8.8%		5.3%	8.3%	
Net margin	2.5%	4.2%		6.3%		4.0%	6.6%	
Core net margin	2.5%	4.2%		6.3%		4.0%	6.3%	
Effective tax rate	21.1%	14.8%		28.3%		41.5%	21.5%	

Source: Company

22 May 2026

## 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.
<b>Stocks Under Coverage</b>																	
BUMI ARMADA BHD	MP	0.335	0.36	7.5%	1,985.9	Y	12/2026	4.7	4.5	-14.8%	-3.7%	7.2	7.5	0.4	6.1%	95.0	283.6%
DAYANG ENTERPRISE HLDGS BHD	OP	1.80	2.45	36.1%	2,084.0	Y	12/2026	16.1	18.8	7.8%	17.0%	11.2	9.6	1.1	9.8%	11.0	6.1%
DIALOG GROUP BHD	OP	2.05	2.63	28.3%	11,567.5	Y	06/2026	10.4	11.8	31.4%	12.8%	19.7	17.4	1.9	9.9%	5.0	2.4%
LIANSON FLEET GROUP BHG	OP	1.71	2.40	40.4%	1,992.9	Y	12/2026	20.6	27.3	142.4%	32.3%	8.3	6.3	1.1	13.2%	400.0	233.9%
KEYFIELD INTERNATIONAL	OP	1.59	2.00	25.8%	1,284.1	Y	12/2026	10.2	18.0	-25.6%	76.1%	15.6	8.8	1.6	10.5%	6.0	3.8%
MISC BHD	OP	8.20	8.60	4.9%	36,602.7	Y	12/2026	47.3	49.5	-0.4%	4.6%	17.3	16.6	1.1	6.2%	36.0	4.4%
PETRONAS CHEMICALS GROUP	OP	5.45	5.40	-0.9%	43,600.0	Y	12/2026	29.5	13.2	-48.7%	0.6%	18.5	41.4	1.2	0.9%	2.0	0.4%
PETRONAS DAGANGAN BHD	MP	18.80	21.20	12.8%	18,676.9	Y	12/2026	116.9	116.5	5.7%	-0.4%	16.1	16.1	3.0	19.1%	94.0	5.0%
UZMA BHD	OP	0.430	0.700	62.8%	259.6	Y	06/2026	14.8	15.9	6.9%	7.5%	2.9	2.7	0.2	8.5%	0.0	0.0%
VELESTO ENERGY BHD	MP	0.315	0.320	1.6%	2,603.7	Y	12/2026	1.7	2.1	-18.7%	19.3%	18.3	15.3	1.1	6.0%	3.0	9.5%
WASCO BHD	OP	0.840	1.45	57.1%	650.4	Y	12/2026	1.4	1.7	-37.5%	23.1%	61.5	50.0	5.0	8.5%	6.0	7.1%
YINSON HOLDINGS BHD	OP	1.95	2.84	45.6%	5,698.6	N	01/2027	16.6	20.4	20.3%	22.3%	11.7	9.6	1.2	10.1%	6.0	3.1%
<b>SECTOR AGGREGATE</b>					<b>127,006.3</b>					<b>24.9%</b>	<b>8.0%</b>	<b>22.1</b>	<b>20.5</b>	<b>1.6</b>	<b>9.1%</b>		<b>46.6%</b>

Source: Kenanga Research

**Stock ESG Ratings:**

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

☆ 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](http://www.kenanga.com.my) E-mail: [research@kenanga.com.my](mailto:research@kenanga.com.my)

