Maybank Investment Bank

Shariah Compliant | Construction | Malaysia

Gamuda (GAM MK)

2QFY23: Strong pick-up in overseas contribution

BUY

Share Price	MYR 4.14
12m Price Target	MYR 4.60 (+14%)
Previous Price Target	*MYR 4.45*

Results above expectations; maintain BUY

Gamuda's 2QFY23 PATMI was above expectations, bringing 1H core PATMI to MYR385m (+17% YoY); the latter at 54%/55% of house/street's full-year forecasts. The beat, relative to our forecast, was due to stronger overseas contribution, mainly coming from the SMW-WT (Australia) project. We raise FY23E PATMI by 8%; unchanged for FY24-25E. Our RNAV-TP is consequently raised to MYR4.60 (+15sen).

Overseas contribution picked up

2QFY23 E&C PBT (pre FRS11) rose 35% QoQ as revenue more than doubled (+114% QoQ) on strong pick up in the pace of its Australia projects. The SMW-WT project, in particular, has reached 15% financial completion as of end-2QFY23, ahead of our forecast for 20% completion by end-FY23. 2QFY23 property PBT (pre FRS11) also held up well (+4% QoQ) after record pre-sales in FY22. In line with management's plans, overseas contribution grew, making up 43% of group turnover in 1HFY23 (1HFY22: 16%) and 38% of group net profit (1HFY22: 18%), filling the void left by its tolled highway operations, after they were sold in Oct 2022.

MYR14.5b o/s E&C orderbook; MYR5.4b unbilled prop

Outstanding E&C orderbook was MYR14.5b (17% domestic, 83% overseas) end-Jan 2023, and MYR20.5b if including DTI's orderbook post acquisition of a civil construction business in Australia, expected to complete in mid-2023. 2QFY23 property pre-sales was MYR520m bringing 1H pre-sales to MYR1b. Unbilled property sales remained at a high MYR5.4b as at end-Jan 2023, while the internal target is still MYR4.5b property pre-sales in FY23.

Hopeful on the KVMRT3 tender outcome

Gamuda (in a consortium) has submitted its tender for Package CMC 303 of the KVMRT3. The consortium's bid for CMC 303 is believed to be worth MYR13.3b. Meanwhile, Gamuda is also eyeing the KVMRT3 system works which could be worth at least MYR5b.

FYE Jul (MYR m)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue	3,517	5,163	6,795	8,001	10,746
EBITDA	692	853	795	915	1,192
Core net profit	588	832	771	614	811
Core EPS (sen)	23.4	33.0	29.4	23.4	30.9
Core EPS growth (%)	11.0	41.0	(10.9)	(20.3)	32.0
Net DPS (sen)	0.0	12.0	50.0	12.0	12.0
Core P/E (x)	10.8	10.2	14.1	17.7	13.4
P/BV (x)	0.7	0.9	1.0	1.0	1.0
Net dividend yield (%)	0.0	3.6	12.1	2.9	2.9
ROAE (%)	6.6	8.5	17.2	5.8	7.3
ROAA (%)	3.2	4.3	3.9	3.1	3.8
EV/EBITDA (x)	13.4	12.7	15.2	12.8	10.1
Net gearing (%) (incl perps)	27.0	19.4	7.9	4.5	7.2
Consensus net profit	-	-	686	782	817
MIBG vs. Consensus (%)	-	-	155.0	(21.5)	(0.8)

Wong Chew Hann
wchewh@maybank-ib.com
(603) 2297 8686

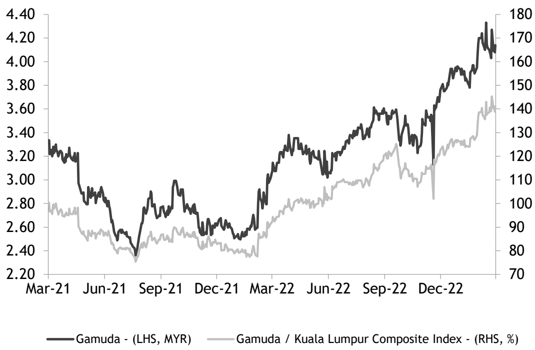
Company Description

Gamuda Bhd engages in engineering and construction, property development and water and expressway concessions.

Statistics

52w high/low (MYR)	4.33/3.02
3m avg turnover (USDm)	9.4
Free float (%)	70.4
Issued shares (m)	2,659
Market capitalisation	MYR11.0B
	USD2.5B
Major shareholders:	
Employees Provident Fund	15.0%
Permodalan Nasional Bhd.	14.0%
Kumpulan Wang Persaraan	5.3%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(0)	10	35
Relative to index (%)	3	15	53

Source: FactSet

Abbreviation

E&C = Engineering & Construction
PBT = pre-tax profit
PATMI = profit after tax and minority interest
KVMRT = Klang Valley Mass Rapid Transit
PSI = Penang South Island

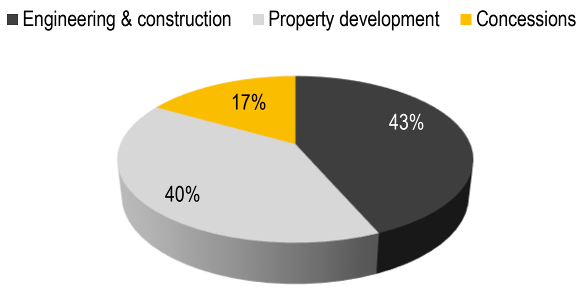
Note

Net gearing at the table on the left excludes "marketable securities" vs. our quotes in the text

Value Proposition

- Leading engineering & construction (E&C) player that has carved a niche in highly technical tunnelling works.
- Its capabilities have enabled it to clinch key infra projects and gain above-industry average E&C margins.
- Completed infra projects include SMART, Ipoh-Padang Besar EDT, KVMRT1&2, LDP, SAE, SPRINT, SSP3 and Sg S'gor Dam.
- Has also accumulated strategic property landbank in MY (Klang Valley mainly), VN (HCMC and Hanoi) and SG worth MYR52b in remaining GDV.
- Exited the tolled highway business after selling its four urban concessions in Aug 2022 (completed on 13 Oct 2022).

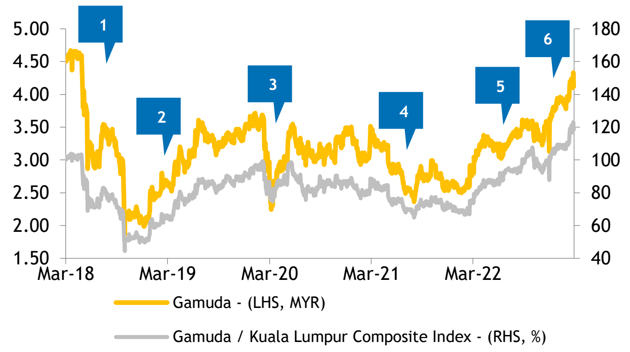
Pretax profit breakdown in FY22 (before FRS11)



Source: Company

Price Drivers

Historical share price trend



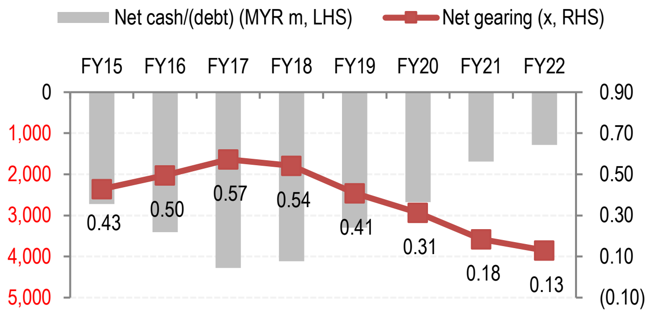
Source: Company, Maybank IBG Research

1. Post GE14 (May 2018) overhang on Malaysia construction stemming from i) review and cancellation of major infra projects and ii) potential abolition of tolled highways.
2. News on revival of Bandar Malaysia project (May 2019), followed by Minister of Finance (Inc.)'s proposed take-over of Gamuda's four tolled highways (Jun 2019).
3. Start of Movement Control Order (MCO) (18 Mar 2020).
4. Announcement (on 11 May 2021) of Gamuda's exclusion from MSCI Global Standard Index.
5. Sale of its highway concessions (announced on 4 Apr 2022) and major E&C wins of MYR11.6b in FY22.
6. Inclusion in MSCI Emerging Market Index wef 28 Feb 2023.

Financial Metrics

- FY20-22 earnings impacted by pandemic induced movement restrictions & standard operating procedures at work sites.
- Medium-term earnings to be supported by an outstanding E&C orderbook of MYR14.5b and unbilled property pre-sales of MYR5.4b as of end-Jan 2023.
- Targeting MYR13b E&C job replenishment in FY23 from PSI and KVMRT3; intends to make Australia its 2nd E&C base.
- Targeting MYR4.5b property pre-sales in FY23 (+13% YoY); have ventured into UK recently as its 4th property base.
- Net gearing (including 'marketable securities') stood at 0.07x end-Jan 2023, below its internal cap of 0.7x.

Net debt and gearing (including 'marketable securities')



Source: Company

Swing Factors

Upside

- Substantial orderbook replenishment, including from major domestic rail projects such as KVMRT3 civil and system works.
- Stronger-than-expected property pre-sales in Malaysia and overseas.
- PSI Island A reclamation work pace proceeds ahead of expectations.

Downside

- Delay in implementation of key infrastructure projects.
- PSI Island A reclamation work pace falls short of the targeted timeline.
- Cost overrun and delay in E&C orderbook execution.

wchewh@maybank-ib.com

Fig 1: Results summary

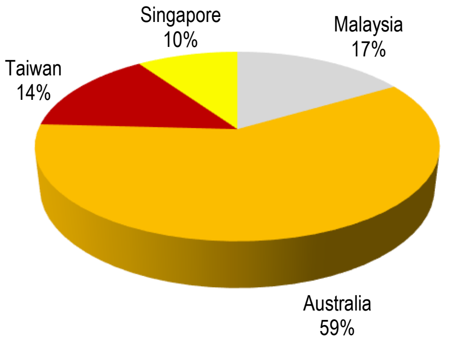
	Quarterly					Cumulative			Comments
FY Jul (MYR m)	**2QFY23**	**2QFY22**	***% YoY***	**1QFY23**	***% QoQ***	**6MFY23**	**6MFY22**	***% YoY***	
Turnover	1,443.0	1,218.9	*18.4*	1,306.6	*10.4*	2,749.6	1,906.8	*44.2*	
EBIT	175.6	129.1	*36.0*	147.9	*18.7*	323.5	204.2	*58.4*	
Interest expense	(27.6)	(42.4)	*(34.9)*	(27.5)	*0.6*	(55.1)	(49.2)	*12.1*	
Joint ventures profit	82.0	97.9	*(16.3)*	62.7	*30.8*	144.6	169.8	*(14.8)*	
Associates profit	0.2	1.5	*(85.5)*	1.6	*(86.8)*	1.8	3.8	*(51.8)*	
Pretax profit	**230.1**	**186.0**	***23.7***	**184.7**	***24.6***	**414.8**	**328.7**	***26.2***	
Tax	(31.2)	(34.5)	*(9.6)*	(28.0)	*11.3*	(59.2)	(55.8)	*6.1*	
Minorities	(4.3)	(6.3)	*(30.8)*	(11.7)	*(63.1)*	(16.1)	(12.4)	*28.9*	
Discontinued ops	-	31.8	*NM*	1,023.7	*NM*	1,023.7	69.0	*1,382.6*	Relates to tolled highways - sale completed on 13 Oct 2022.
Net profit	**194.6**	**177.1**	***9.9***	**1,168.7**	***(83.3)***	**1,363.3**	**329.5**	***313.8***	
Core net profit	**194.6**	**177.1**	***9.9***	**190.4**	***2.2***	**385.0**	**329.5**	***16.8***	Ex- MYR978.3m one-off gain from the sale of tolled highways (Gamuda's share).
EPS (sen)	7.3	7.1	*2.8*	45.3	*(84.0)*	52.6	13.1	*300.9*	
DPS (sen)	-	-	*NM*	44.0	*NM*	44.0	6.0	*633.3*	
	2QFY23	**2QFY22**	***+/- ppt***	**1QFY23**	***+/- ppt***	**6MFY23**	**6MFY22**	***+/-ppt***	
EBIT margin (%)	*12.2*	*10.6*	*1.6*	*11.3*	*0.8*	*11.8*	*10.7*	*1.1*	
Pretax margin (%)	*15.9*	*15.3*	*0.7*	*14.1*	*1.8*	*15.1*	*17.2*	*(2.2)*	
Tax rate (%)	*13.5*	*18.5*	*(5.0)*	*15.2*	*(1.6)*	*22.0*	*36.0*	*(13.9)*	
SEGMENTAL									
Revenue (continued & discontinued ops)	**2QFY23**	**2QFY22**	***% YoY***	**1QFY23**	***% QoQ***	**6MFY23**	**6MFY22**	***% YoY***	
Engg & construction	1,692.3	1,005.5	*68.3*	759.2	*122.9*	2,451.4	1,860.7	*31.7*	Works on SMW-WT picked up, taking over from KVMRT2.
Property development	558.7	641.5	*(12.9)*	644.2	*(13.3)*	1,202.8	932.6	*29.0*	Driven by *Celadon City* and Malaysia townships.
Water O&M & toll exp	(45.4)	27.7	*NM*	93.0	*NM*	47.7	133.9	*(64.4)*	
Less: JV & Asso	(762.5)	(386.3)	*97.4*	(142.1)	*436.7*	(904.6)	(891.7)	*1.4*	
Engg & construction	*(738.7)*	*(342.5)*	*115.6*	*(115.6)*	*539.0*	*(854.3)*	*(820.0)*	*4.2*	
Property devt	*(23.9)*	*(40.4)*	*(40.9)*	*(26.5)*	*(9.9)*	*(50.3)*	*(66.5)*	*(24.3)*	
Water O&M & toll	-	*(3.4)*	*NM*	-	*NM*	-	*(5.2)*	*NM*	
Total	**1,443.0**	**1,288.3**	***12.0***	**1,354.3**	***6.6***	**2,797.3**	**2,035.4**	***37.4***	
Pretax profit (continued & discontinued ops)	**2QFY23**	**2QFY22**	***% YoY***	**1QFY23**	***% QoQ***	**6MFY23**	**6MFY22**	***% YoY***	
Engg & construction	81.4	38.1	*113.8*	42.4	*91.9*	123.8	62.8	*97.1*	
Property development	76.1	64.0	*18.9*	68.5	*11.2*	144.6	92.2	*56.7*	
Water O&M & toll exp	(9.6)	(4.0)	*136.1*	47.7	*NM*	38.1	36.3	*5.1*	
Share of JV & Asso	82.2	129.1	*(36.4)*	86.1	*(4.6)*	168.3	227.4	*(26.0)*	
Engg & construction	*81.7*	*98.8*	*(17.3)*	*58.6*	*39.3*	*140.4*	*172.0*	*(18.4)*	
Property devt	*1.3*	*1.7*	*(24.2)*	*4.8*	*(72.3)*	*6.1*	*1.6*	*280.1*	
Water O&M & toll	*(0.9)*	*28.5*	*NM*	*22.7*	*NM*	*21.9*	*53.8*	*(59.3)*	Incl. MYR1,111,1m one-off gain from sale of tolled highways (Gamuda's & minorities' share).
Total	**230.1**	**227.2**	***1.3***	**244.7**	***(6.0)***	**474.8**	**418.7**	***13.4***	
Pretax profit (bf FRS 11) (continued ops only)	**2QFY23**	**2QFY22**	***% YoY***	**1QFY23**	***% QoQ***	**6MFY23**	**6MFY22**	***% YoY***	
Engineering & construction	187.2	161.3	*16.1*	139.2	*34.5*	326.4	286.4	*14.0*	
Property development	78.3	68.6	*14.1*	75.3	*4.0*	153.6	97.6	*57.4*	
Concessions	-	73.3	*NM*	59.9	*NM*	59.9	90.0	*(33.4)*	
Total	**265.5**	**303.2**	***(12.4)***	**274.4**	***(3.2)***	**539.9**	**474.0**	***13.9***	
Pretax margin (bf.FRS 11) (continued ops only)	**2QFY23**	**2QFY22**	***+/-ppt***	**1QFY23**	***+/-ppt***	**6MFY23**	**6MFY22**	***+/-ppt***	
Engg & construction	11.1%	16.0%	*(5.0)*	18.3%	*(7.3)*	13.3%	15.4%	*(2.1)*	Lower blended margins on higher mix of overseas works.
Property development	14.0%	10.7%	*3.3*	11.7%	*2.3*	12.8%	10.5%	*2.3*	
Overall	**12.0%**	**18.1%**	***(6.1)***	**18.3%**	***(6.3)***	**14.6%**	**16.2%**	***(1.6)***	

Sources: Company, Maybank IBG Research

Engineering & Construction

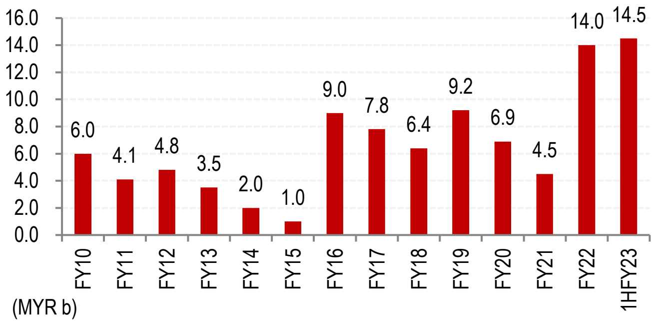
- **Outstanding orderbook at MYR14.5b as of end-Jan 2023,** including the new M1 Motorway project in Australia worth MYR1.2b (being Gamuda's 40% share in the JV undertaking the works), won in end-Dec 2022. The current orderbook provides earnings visibility into FY26. Projects in Australia dominate the outstanding orderbook (at MYR8.6b or 59% of total), followed by Malaysia (MYR2.4b, 17%), Taiwan (MYR2.1b, 14%) and Singapore (MYR1.4b, 10%).

Fig 2: MYR14.5b outstanding orderbook @ end-Jan 2023



Source: Company, Maybank IBG Research (chart)

Fig 3: Outstanding E&C orderbook



Source: Company, Maybank IBG Research (chart)

- **DTI acquisition targeted for mid-2023.** The strategic acquisition is being made by Gamuda's 100%-subsidiary, DT Infrastructure Pty Ltd (DTI) for the Australian business of Downer EDI Works Pty Ltd and VEC Civil Engineering Pty Ltd for an enterprise value of AUD212m (e.MYR636m). The acquisition only requires the approval of the Foreign Investment Review Board of Australia. Based on the forecast AUD2b work-in-hand, Gamuda's orderbook will receive a significant boost to MYR20.5b upon completion of the acquisition.

- **Awaiting award/outcome of KVMRT3 and PSI.** Gamuda (in a consortium) has submitted its tender for Package CMC 303 of the KVMRT3, while for the PSI, a revised EIA was submitted in end-Oct 2022. The Gamuda consortium's bid for CMC 303 is believed to be worth MYR13.3b. Meanwhile, Gamuda is also eyeing the KVMRT3 system works which could be worth at least MYR5b.

Fig 4: E&C orderbook - MYR14.5b outstanding @ end-Jan 2023 (vs. MYR14.8b @ end-Oct 2022)

Project	Outstanding (MYR m)	Status
MALAYSIA		
Pan Borneo Sarawak - WPC-04 (65% share)	Min	Work progress at 99% (vs. 98% @ end-Oct 2022). Targeted completion: 2023.
Various others	400	2nd trunk road Sarawak valued at MYR224m secured in a JV with Naim Engineering (work progress at 17% @ end-Jan 2022). Targeted completion: 2024. Residential building & other civil works in M'sia.
Rasau Water Supply Scheme - Stage 1	2,000	Newly secured in Jul 2022; work progress at 1%. Targeted completion: 2025.

Source: Company

Fig 4: E&C orderbook - MYR14.5b outstanding @ end-Jan 2023 (continued)

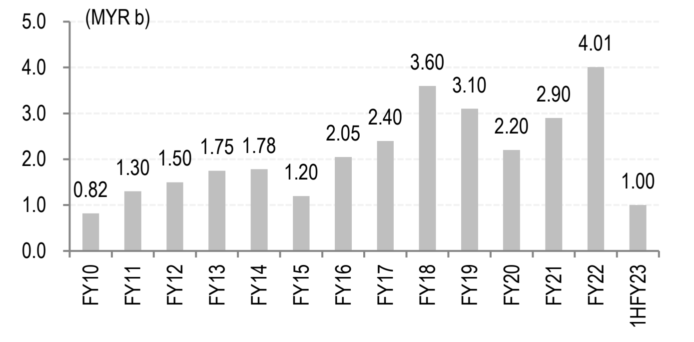
Project	Outstanding (MYR m)	Status
TAIWAN		
Marine bridge (70% share)	100	Work progress at 75% (vs. 72% @ end-Oct 2022). Targeted completion: 2023.
Seawall reclamation (70% share)	300	Work progress at 50% (vs. 46% @ end-Oct 2022). Targeted completion: 2025.
Transmission line (50% share)	200	Newly secured in 4QFY21. Targeted completion: 2025.
Marine bridge extension (70% share)	200	Work progress at 12% (vs. 6% @ end-Oct 2022). Targeted completion: 2024.
Tao Yuan underground (60% share)	1,300	Newly secured in 2022. Targeted completion: 2030.
SINGAPORE		
Bus depot (100% share)	600	Work progress at 30% (vs. 28% @ end-Oct 2022). Targeted completion: 2023.
Defu Station & Tunnel (60% share)	800	Work progress at 3% (vs. 2% @ end-Oct 2022). A design-and-construct contract with Gamuda as the Lead Member. Defu Station (along Tampines Road) is part of the 29km Cross Island Line Phase 1. Targeted completion: 2030.
AUSTRALIA		
Sydney Metro West - Western Tunnel (100% share)	5,500	Work progress at 15% (vs. 7% @ end-Oct 2022). A design-and-construct contract with Gamuda as the Head Contractor, and Laing O'Rourke Australia as project delivery partner. Targeted completion: 2026.
Coffs Harbour Bypass (50% share)	1,900	Work progress at 5% (vs. 1% @ end-Oct 2022). A design-and-construct contract. Targeted completion: Late-2027.
M1 Motorway (40% share)	1,200	Newly secured. Targeted completion: 2028.
Total	**14,500**	

Source: Company

Property development

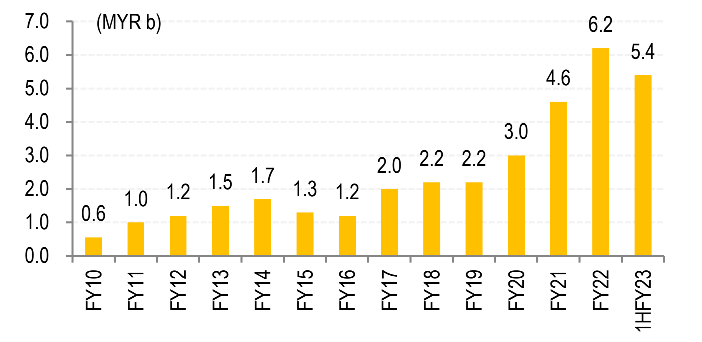
- **Still slow MYR520m pre-sales in 2QFY23 (1QFY23: MYR480m),** as *Celadon City* (Vietnam) and *OLA* (Singapore) were almost fully sold. Domestic projects contributed 70% to total pre-sales in 1HFY23, of which 80% came from *Gamuda Cove, Gamuda Gardens, twentyfive.7* and *Jade Hills*. Overseas projects contributed 30%, of which 80% came from quick turnaround projects (QTP) projects - *The Canopy on Normanby* (Melbourne), *West Hampstead Central* (London), and *Artisan Park* (HCMC).
- **Maintains MYR4.5b pre-sales target for FY23**. Expectations are for 2HFY23 pre-sales to pick up strongly given large bookings-in-hand and indicative strong responses for upcoming launches. MYR1.5b of the MYR4.5b is targeted to come from QTPs, MYR2.3b from its Malaysia developments, and the balance MYR0.7b from overseas. Gamuda now has a portfolio of 6 QTPs with total GDV of MYR3b located in London, Melbourne and HCMC in Vietnam, and targets to add on another 5 QTPs over the next 2 years, bringing the total to 11.
- **Unbilled sales stood at MYR5.4b end-Jan 2023** (vs. MYR5.8b end-Oct 2022).

Fig 5: Property pre-sales



Source: Company, Maybank IBG Research (chart)

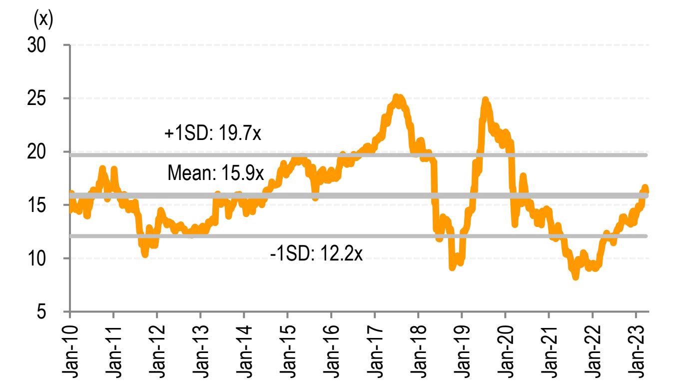
Fig 6: Unbilled property sales



Source: Company, Maybank IBG Research (chart)

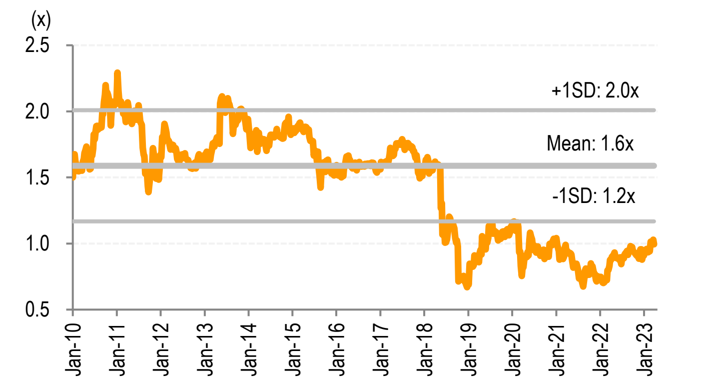
Valuation

Fig 7: 12M forward PER



Source: Bloomberg, Maybank IBG Research

Fig 8: 12M forward P/B



Source: Bloomberg, Maybank IBG Research

Fig 9: RNAV

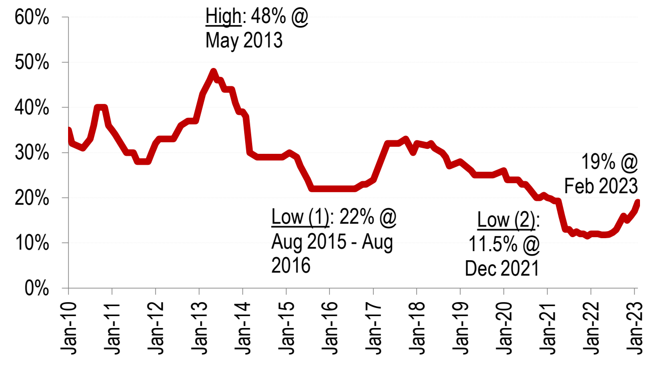
	Unsold areas (acres)	Bal. GDV (MYR'm)	Shareholding (%) / Est. net profit (MYR'm)	NPV of future profits (MYR'm) / Target PER (x)	Gamuda's share (MYR'm)
1.0 ENGINEERING & CONSTRUCTION			Est. net profit (MYR'm)	Target PER (x)	Gamuda's share (MYR'm)
FY23E E&C profit			242	16	3,866
2.0 PROPERTY	Unsold areas (acres)	Bal. GDV (MYR'm)	Shareholding (%)	NPV of future profits (MYR'm)	Gamuda's share (MYR'm)
Jade Hills (Klang Valley)	5	604	100%	70	70
Horizon Hills (Iskandar Malaysia)	304	2,406	50%	265	133
Gamuda Gardens (Klang Valley)	620	7,839	100%	548	548
Kundang (Klang Valley)	25	178	100%	22	22
Gamuda Cove (Klang Valley)	1,402	20,878	100%	601	601
twentyfive.7 (Klang Valley)	119	2,989	100%	258	258
Others (Malaysia)	49	2,612	100%	31	31
Gamuda City (Hanoi)	268	11,374	100%	665	665
Celadon City (HCMC)	10	389	100%	48	48
Chapel Street (Melbourne)	0	72	100%	6	6
OLA (Singapore)	0	70	50%	6	3
Quick turnaround projects		2,980	100%	87	87
	2,802	52,391			2,473
Property NBV @ 31 Jul 2022					6,711
Total Property RNAV					**9,184**
(-) 40% discount					(3,674)
Discounted Property					**5,510**
3.0 OTHERS					
Cash & investment securities at holding company @ 31 Jul 2022					1,329
Proceeds from sale of tolled highways not distributed to shareholders					1,354
TOTAL RNAV					**12,060**
No. of ordinary shares @ 31 Jan 2023					2,620.3
RNAV per share (MYR) - rounded					**4.60**

Source: Maybank IBG Research

Foreign shareholding

- **Gamuda's foreign shareholding has rebounded** to 19% as at end-Feb 2023, from a low of 11.5% end-Dec 2021, with much of the foreign buying happening in the months of Sep-Oct 2022 and again in Jan-Feb 2023. The stock was included in the MSCI Emerging Market Index wef 28 Feb 2023.

Fig 10: Foreign shareholding



Source: Company

FYE 31 Jul	FY21A	FY22A	FY23E	FY24E	FY25E
Key Metrics					
P/E (reported) (x)	13.2	9.0	6.2	17.7	13.4
Core P/E (x)	10.8	10.2	14.1	17.7	13.4
P/BV (x)	0.7	0.9	1.0	1.0	1.0
P/NTA (x)	0.7	0.9	1.0	1.0	0.9
Net dividend yield (%)	0.0	3.6	12.1	2.9	2.9
FCF yield (%)	9.0	nm	29.0	6.1	nm
EV/EBITDA (x)	13.4	12.7	15.2	12.8	10.1
EV/EBIT (x)	19.8	17.7	17.8	14.8	11.3
INCOME STATEMENT (MYR m)					
Revenue	3,517.2	5,162.6	6,794.6	8,000.5	10,746.1
EBITDA	692.3	853.3	795.4	915.0	1,192.4
Depreciation	(225.2)	(240.9)	(117.1)	(123.0)	(129.1)
EBIT	467.1	612.4	678.2	792.1	1,063.3
Net interest income /(exp)	4.5	27.9	34.6	30.1	25.3
Associates & JV	314.7	401.1	257.4	21.8	24.0
Exceptionals	0.0	(26.0)	978.3	0.0	0.0
Pretax profit	786.3	1,015.5	1,948.5	843.9	1,112.6
Income tax	(154.1)	(179.8)	(192.5)	(222.0)	(293.9)
Minorities	(43.9)	(29.4)	(7.2)	(7.7)	(8.1)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	588.3	806.2	1,748.9	614.3	810.6
Core net profit	588.3	832.2	770.6	614.3	810.6
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	2,656.7	2,794.3	2,864.9	3,185.8	2,821.4
Accounts receivable	1,748.4	2,478.1	3,109.5	3,661.4	4,917.9
Inventory	808.6	655.4	749.9	885.7	1,194.2
Property, Plant & Equip (net)	960.7	1,095.5	1,228.4	1,355.4	1,476.3
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	1,825.0	963.0	1,220.4	1,242.2	1,266.2
Other assets	10,440.9	12,287.4	10,201.1	10,201.1	10,201.1
Total assets	**18,440.2**	**20,273.7**	**19,374.3**	**20,531.6**	**21,877.1**
ST interest bearing debt	1,452.2	1,535.3	1,535.3	1,612.1	1,692.7
Accounts payable	1,745.6	2,677.1	2,748.0	3,615.8	4,457.0
LT interest bearing debt	3,775.6	3,244.7	2,182.5	2,073.4	1,969.7
Other liabilities	1,951.0	2,567.0	2,079.0	2,085.0	2,100.0
Total Liabilities	**8,924.5**	**10,023.9**	**8,544.3**	**9,386.1**	**10,219.5**
Shareholders Equity	9,163.6	9,900.8	10,473.7	10,781.5	11,285.6
Minority Interest	352.1	349.1	356.3	363.9	372.0
Total shareholder equity	**9,515.7**	**10,249.9**	**10,830.0**	**11,145.4**	**11,657.6**
Total liabilities and equity	**18,440.2**	**20,273.7**	**19,374.3**	**20,531.6**	**21,877.1**
CASH FLOW (MYR m)					
Pretax profit	786.3	1,015.5	1,948.5	843.9	1,112.6
Depreciation & amortisation	225.2	240.9	117.1	123.0	129.1
Adj net interest (income)/exp	(4.5)	(27.9)	(34.6)	(30.1)	(25.3)
Change in working capital	519.2	(203.2)	1,811.0	214.7	(688.2)
Cash taxes paid	(154.1)	(179.8)	(192.5)	(222.0)	(293.9)
Other operating cash flow	(314.7)	(401.1)	(257.4)	(21.8)	(24.0)
Cash flow from operations	1,057.4	444.2	3,392.2	907.8	210.3
Capex	(488.0)	(523.0)	(250.0)	(250.0)	(250.0)
Free cash flow	569.4	(78.8)	3,142.2	657.8	(39.7)
Dividends paid	0.0	(88.0)	(1,295.5)	(306.5)	(306.5)
Equity raised / (purchased)	3.5	0.0	0.0	0.0	1.0
Change in Debt	(304.1)	(233.5)	(1,062.2)	(32.4)	(23.1)
Other invest/financing cash flow	(563.8)	1,023.6	(713.8)	1.9	2.9
Effect of exch rate changes	9.3	51.2	0.0	0.0	1.0
Net cash flow	(295.0)	623.3	70.6	320.8	(365.4)

FYE 31 Jul	FY21A	FY22A	FY23E	FY24E	FY25E
Key Ratios					
Growth ratios (%)					
Revenue growth	(4.0)	46.8	31.6	17.7	34.3
EBITDA growth	7.2	23.3	(6.8)	15.0	30.3
EBIT growth	10.5	31.1	10.8	16.8	34.2
Pretax growth	33.2	29.2	91.9	(56.7)	31.8
Reported net profit growth	56.3	37.0	116.9	(64.9)	32.0
Core net profit growth	12.1	41.5	(7.4)	(20.3)	32.0
Profitability ratios (%)					
EBITDA margin	19.7	16.5	11.7	11.4	11.1
EBIT margin	13.3	11.9	10.0	9.9	9.9
Pretax profit margin	22.4	19.7	28.7	10.5	10.4
Payout ratio	0.0	37.5	74.9	51.2	38.8
DuPont analysis					
Net profit margin (%)	16.7	15.6	25.7	7.7	7.5
Revenue/Assets (x)	0.2	0.3	0.4	0.4	0.5
Assets/Equity (x)	2.0	2.0	1.8	1.9	1.9
ROAE (%)	6.6	8.5	17.2	5.8	7.3
ROAA (%)	3.2	4.3	3.9	3.1	3.8
Liquidity & Efficiency					
Cash conversion cycle	80.1	16.5	25.0	30.1	29.2
Days receivable outstanding	203.3	147.4	148.0	152.3	143.7
Days inventory outstanding	119.5	64.8	43.0	42.3	39.7
Days payables outstanding	242.8	195.7	166.0	164.5	154.2
Dividend cover (x)	nm	2.7	1.3	2.0	2.6
Current ratio (x)	2.2	2.2	2.0	1.9	1.8
Leverage & Expense Analysis					
Asset/Liability (x)	2.1	2.0	2.3	2.2	2.1
Net gearing (%) (incl perps)	27.0	19.4	7.9	4.5	7.2
Net gearing (%) (excl. perps)	27.0	19.4	7.9	4.5	7.2
Net interest cover (x)	na	na	na	na	na
Debt/EBITDA (x)	7.6	5.6	4.7	4.0	3.1
Capex/revenue (%)	13.9	10.1	3.7	3.1	2.3
Net debt/ (net cash)	2,571.1	1,985.7	852.9	499.7	841.0

Source: Company; Maybank IBG Research

Research Offices

ECONOMICS

Suhaimi ILIAS
Chief Economist
Malaysia | Philippines | Global
(603) 2297 8682
suhaimi_ilias@maybank-ib.com

CHUA Hak Bin
Regional Thematic Macroeconomist
(65) 6231 5830
chuahb@maybank.com

LEE Ju Ye
Singapore | Thailand | Indonesia
(65) 6231 5844
leejuye@maybank.com

Dr Zamros DZULKAFLI
(603) 2082 6818
zamros.d@maybank-ib.com

Fatin Nabila MOHD ZAINI
(603) 2297 8685
fatinnabila.mohdzaini@maybank-ib.com

Brian LEE Shun Rong
(65) 6231 5846
brian.lee1@maybank.com

Luong Thu Huong
(65) 6231 8467
hana.thuhuong @maybank.com

FX

Saktiandi SUPAAT
Head of FX Research
(65) 6320 1379
saktiandi@maybank.com

Fiona LIM
(65) 6320 1374
fionalim@maybank.com

Alan Lau
(65) 6320 1378
alanlau@maybank.com

Shaun Lim
(65) 6320 1371
shaunlim@maybank.com

STRATEGY

Anand PATHMAKANTHAN
ASEAN
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

FIXED INCOME

Winson PHOON, FCA
Head of Fixed Income
(65) 6340 1079
winsonphoon@maybank.com

SE THO Mun Yi, CFA
(603) 2074 7606
munyi.st@maybank-ib.com

PORTFOLIO STRATEGY

CHAN Han Chin
(603) 2297 8888
hanchin.chan@maybank-ib.com

ONG Seng Yeow
(65) 6231 5839
ongsengyeow@maybank.com

MIBG SUSTAINABILITY RESEARCH

Jigar SHAH
Head of Sustainability Research
(91) 22 4223 2632
jigars@maybank.com

Neerav DALAL
(91) 22 4223 2606
neerav@maybank.com

REGIONAL EQUITIES

Anand PATHMAKANTHAN
Head of Regional Equity Research
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA
Head of ASEAN Equity Research
(603) 2297 8686
wchewh@maybank-ib.com

MALAYSIA

Anand PATHMAKANTHAN *Head of Research*
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com
• Strategy

WONG Chew Hann, CA
(603) 2297 8686
wchewh@maybank-ib.com
• Non-Bank Financials (stock exchange)
• Construction & Infrastructure

Desmond CH'NG, BFP, FCA
(603) 2297 8680
desmond.chng@maybank-ib.com
• Banking & Finance

LIAW Thong Jung
(603) 2297 8688 tjliaw@maybank-ib.com
• Oil & Gas Services- Regional
• Automotive

ONG Chee Ting, CA
(603) 2297 8678 ct.ong@maybank-ib.com
• Plantations - Regional

YIN Shao Yang, CPA
(603) 2297 8916 samuel.y@maybank-ib.com
• Gaming – Regional
• Media • Aviation • Non-Bank Financials

TAN Chi Wei, CFA
(603) 2297 8690 chiwei.t@maybank-ib.com
• Power • Telcos

WONG Wei Sum, CFA
(603) 2297 8679 weisum@maybank-ib.com
• Property • Glove

Jade TAM
(603) 2297 8687 jade.tam@maybank-ib.com
• Consumer Staples & Discretionary

Nur Farah SYIFAA
(603) 2297 8675
nurfarahsyifaa.mohamadfuad@maybank-ib.com
• Renewable Energy • REITs

Arvind JAYARATNAM
(603) 2297 8692
arvind.jayaratnam@maybank.com
• Petrochemicals • Technology

Shafiq KADIR, CFA
(603) 2297 8691
msshafiqk.abkadir@maybank-ib.com
• Healthcare • Software

LOH Yan Jin
(603) 2297 8687
lohyanjin.loh@maybank-ib.com
• Ports • Shipping

Eugene HOO Yee Hui
(603) 2082 6819
eugene.hoo@maybank.com
• Media

TEE Sze Chiah *Head of Retail Research*
(603) 2082 6858 szechiah.t@maybank-ib.com
• Retail Research

Nik Ihsan RAJA ABDULLAH, MSTA, CFTe
(603) 2297 8694
nikmohdihsan.ra@maybank-ib.com
• Chartist

Amirah AZMI
(603) 2082 8769 amirah.azmi@maybank-ib.com
• Retail Research

SINGAPORE

Thilan WICKRAMASINGHE *Head of Research*
(65) 6231 5840 thilanw@maybank.com
• Banking & Finance - Regional
• Consumer

Eric ONG
(65) 6231 5849 ericong@maybank.com
• Healthcare • Transport • SMIDs

Kelvin TAN
(65) 6231 5837 kelvin.tan1@maybank.com
• Telcos • Industrials

LI Jialin
(65) 6231 5845 jialin.li@maybank.com
• REITs

Jarick SEET
(65) 6231 5848 jarick.seet@maybank.com
• Technology

Krishna GUHA
(65) 6231 5842 krishna.guha@maybank.com
• REITs

PHILIPPINES

Jacqui de JESUS *Head of Research*
(63) 2 8849 8840
jacqui.dejesus@maybank.com
• Strategy • Conglomerates

Rachelleen RODRIGUEZ, CFA
(63) 2 8849 8843
rachelleen.rodriguez@maybank.com
• Banking & Finance • Transport • Telcos

Daphne SZE
(63) 2 8849 8847
daphne.sze@maybank.com
• Consumer

Miguel SEVIDAL
(63) 2 8849 8844
miguel.sevidal@maybank.com
• REITs • Property • Gaming

Fiorenzo de JESUS
(63) 2 8849 8846
fiorenzo.dejesus@maybank.com
• Utilities

Alexa Mae CARVAJAL
(63) 2 8849 8838
alexamae.carvaja@maybank.com
• Consumer

THAILAND

Jesada TECHAHUSDIN, CFA
(66) 2658 6300 ext 1395
jesada.t@maybank.com
• Banking & Finance

Yuwanee PROMMAPORN
(66) 2658 6300 ext 1393
Yuwanee.P@maybank.com
• Services • Healthcare

Wasu MATTANAPOTCHANART
(66) 2658 6300 ext 1392
wasu.m@maybank.com
• Telcos

Surachai PRAMUALCHAROENKIT
(66) 2658 5000 ext 1470
Surachai.p@maybank.com
• Auto • Conmat • Contractor • Steel

Suttatip PEERASUB
(66) 2658 5000 ext 1430
suttatip.p@maybank.com
• Food & Beverage • Commerce

Jaroonpan WATTANAWONG
(66) 2658 5000 ext 1404
jaroonpan.w@maybank.com
• Transportation • Small cap

INDONESIA

Jeffrosenberg CHENLIM *Head of Research*
(62) 21 8066 8680
Jeffrosenberg.lim@maybank.com
• Strategy • Banking & Finance • Property

Willy GOUTAMA
(62) 21 8066 8500
willy.goutama@maybank.com
• Consumer

Richard SUHERMAN
(62) 21 8066 8691
richard.suherman@maybank.com
• Metals & Mining

Etta Rusdiana PUTRA
(62) 21 8066 8683
etta.putra@maybank.com
• Telcos

William Jefferson W
(62) 21 8066 8563
william.jefferson@maybank.com
• Property

Satriawan Haryono, CEWA, CTA
(62) 21 8066 8682
satriawan@maybank.com
• Chartist

VIETNAM

Quan Trong Thanh *Head of Research*
(84 28) 44 555 888 ext 8184
thanh.quan@maybank.com
• Strategy • Banks

Hoang Huy, CFA
(84 28) 44 555 888 ext 8181
hoanghuy@maybank.com
• Strategy • Technology

Le Nguyen Nhat Chuyen
(84 28) 44 555 888 ext 8082
chuyen.le@maybank.com
• Oil & Gas • Logistics

Nguyen Thi Sony Tra Mi
(84 28) 44 555 888 ext 8084
trami.nguyen@maybank.com
• Consumer Discretionary

Tran Thi Thanh Nhan
(84 28) 44 555 888 ext 8088
nhan.tran@maybank.com
• Consumer Staples

Nguyen Le Tuan Loi
(84 28) 44 555 888 ext 8088
loi.nguyen@maybank.com
• Industrials

Nguyen Thi Ngan Tuyen
Head of Retail Research
(84 28) 44 555 888 ext 8081
tuyen.nguyen@maybank.com
• Retail Research

Nguyen Thanh Lam
(84 28) 44 555 888 ext 8086
thanhlam.nguyen@maybank.com
• Chartist

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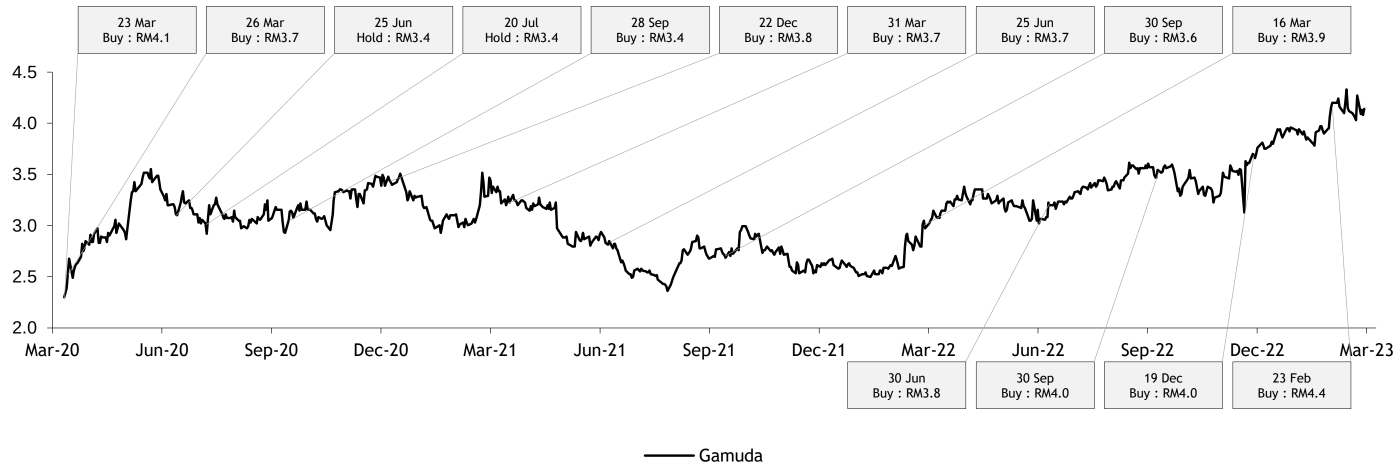
Historical recommendations and target price: Gamuda (GAM MK)



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Malaysia
Maybank Investment Bank Berhad
(A Participating Organisation of
Bursa Malaysia Securities Berhad)
33rd Floor, Menara Maybank,
100 Jalan Tun Perak,
50050 Kuala Lumpur
Tel: (603) 2059 1888;
Fax: (603) 2078 4194

Stockbroking Business:
Level 8, Tower C, Dataran Maybank,
No.1, Jalan Maarof
59000 Kuala Lumpur
Tel: (603) 2297 8888
Fax: (603) 2282 5136

Singapore
Maybank Securities Pte Ltd
Maybank Research Pte Ltd
50 North Canal Road
Singapore 059304

Tel: (65) 6336 9090

London
Maybank Securities (London) Ltd
PNB House
77 Queen Victoria Street
London EC4V 4AY, UK

Tel: (44) 20 7332 0221
Fax: (44) 20 7332 0302

Hong Kong
MIB Securities (Hong Kong) Limited
28/F, Lee Garden Three,
1 Sunning Road, Causeway Bay,
Hong Kong

Tel: (852) 2268 0800
Fax: (852) 2877 0104

Indonesia
PT Maybank Sekuritas Indonesia
Sentral Senayan III, 22nd Floor
Jl. Asia Afrika No. 8
Gelora Bung Karno, Senayan
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188
Fax: (62) 21 2557 1189

India
MIB Securities India Pte Ltd
1101, 11th floor, A Wing, Kanakia
Wall Street, Chakala, Andheri -
Kurla Road, Andheri East,
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600
Fax: (91) 22 6623 2604

Philippines
Maybank Securities Inc
17/F, Tower One & Exchange
Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: (63) 2 8849 8888
Fax: (63) 2 8848 5738

Thailand
Maybank Securities (Thailand) PCL
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)
Tel: (66) 2 658 6801 (research)

Vietnam
Maybank Securities Limited
Floor 10, Pearl 5 Tower,
5 Le Quy Don Street,
Vo Thi Sau Ward, District 3
Ho Chi Minh City, Vietnam

Tel : (84) 28 44 555 888
Fax : (84) 28 38 271 030

Sales Trading
Kevin Foy
Regional Head Sales Trading
kevinfoy@maybank.com
Tel: (65) 6636-3620
US Toll Free: 1-866-406-7447

Indonesia
Helen Widjaja
helen.widjaja@maybank.com
(62) 21 2557 1188

London
Greg Smith
gsmith@maybank.com
Tel: (44) 207-332-0221

Philippines
Keith Roy
keith_roy@maybank.com
Tel: (63) 2 848-5288

India
Sanjay Makhija
sanjaymakhija@maybank.com
Tel: (91)-22-6623-2629

www.maybank.com/investment-banking
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