

Gamuda (GAM MK)

3QFY23: Positive surprise, yet again

Results above expectations; maintain BUY

Gamuda's 3QFY23 results surprised on the upside (for the 7th time, over the past 8 quarters). This lifted 9M core PATMI to MYR608m (+10% YoY), at 79%/83% of our/consensus FY23E. The beat came from its Australia E&C project, i.e. SMW-WT. Alongside MYR3.5b job award for PSI's Silicon Island reclamation and completion of DTI acquisition, outstanding E&C orderbook has risen to an all-time high of MYR21.5b. We raise FY23E PATMI by 7%, FY24/25E by 35%/37% each. Our new RNAV-TP is MYR4.80 (+20sen).

Overseas contribution picked up further

3QFY23 E&C PBT (pre FRS11) rose 81% YoY, leading to 9M E&C PBT growing 31% YoY on pick up in the pace of its Australian SMW-WT project, which reached 27% financial completion. 3QFY23 property PBT (pre FRS11) also jumped 65% YoY (9M: +10% YoY) after record pre-sales in FY22. Overseas contribution grew, making up 52% of group turnover in 9MFY23 (9MFY22: 24%) and 44% of PATMI (9MFY22: 34%), filling the void left by its tolled highway operations, after they were sold in Oct 2022.

MYR21.5b o/s E&C orderbook; MYR5.7b unbilled prop

Outstanding E&C orderbook was at an all-time high of MYR21.5b (27% domestic, 73% overseas) end-Apr 2023. The internal target is for E&C revenue to reach MYR6b in FY23 (9MFY23: MYR3.8b) and MYR8b-MYR9b in FY24E; efforts are ongoing to sustain its orderbook especially in Australia. Elsewhere, 3QFY23 property pre-sales was MYR900m bringing 9M pre-sales to MYR1.9b (-29% YoY). Unbilled property sales stayed at a high MYR5.7b, while the internal target is still MYR4.5b property pre-sales in FY23.

Upwards earnings revision

Our earnings revision incorporates the new MYR3.5b PSI reclamation win, additional MYR4.5b that comes with the DTI acquisition and a higher MYR8b p.a. E&C win assumption from FY24E onwards (MYR5b previously). This is possible assuming AUD2b from Australia and the balance from either Malaysia or other overseas markets. Prospects in Malaysia over the next 6 months include KVMRT3 CMC303 award worth MYR13.3b (50% Gamuda).

FYE Jul (MYR m)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue	3,517	5,163	7,795	11,621	15,531
EBITDA	692	853	872	1,212	1,600
Core net profit	588	832	827	831	1,108
Core EPS (sen)	23.4	33.0	31.5	31.7	42.3
Core EPS growth (%)	11.0	41.0	(4.4)	0.5	33.4
Net DPS (sen)	0.0	12.0	50.0	12.0	12.0
Core P/E (x)	10.8	10.2	13.5	13.4	10.0
P/BV (x)	0.7	0.9	1.0	1.0	0.9
Net dividend yield (%)	0.0	3.6	11.8	2.8	2.8
ROAE (%)	6.6	8.5	17.5	7.5	9.5
ROAA (%)	3.2	4.3	4.2	4.1	4.8
EV/EBITDA (x)	13.4	12.7	14.6	11.4	8.8
Net gearing (%) (incl prf)	27.0	19.4	11.0	20.4	20.4
Consensus net profit	-	-	755	863	966
MIBG vs. Consensus (%)	-	-	139.1	(3.7)	14.8

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BUY

Share Price	MYR 4.25
12m Price Target	MYR 4.80 (+16%)
Previous Price Target	MYR 4.60

Company Description

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

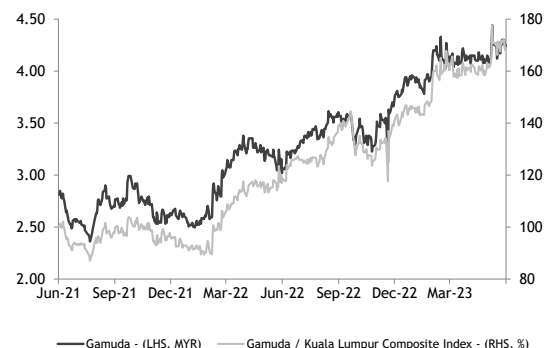
Statistics

52w high/low (MYR)	4.44/3.06
3m avg turnover (USDm)	3.4
Free float (%)	71.1
Issued shares (m)	2,661
Market capitalisation	MYR11.3B
	USD2.4B

Major shareholders:

Employees Provident Fund	14.5%
Permodalan Nasional Bhd.	13.8%
Kumpulan Wang Persaraan	5.0%

Price Performance



	-1M	-3M	-12M
Absolute (%)	3	4	41
Relative to index (%)	5	6	45

Source: FactSet

Abbreviation

E&C = Engineering & Construction
PATMI = profit after tax and minority interest
PBT = pre-tax profit
SMT-WT = Sydney Metro West - Western Tunnel
KVMRT = Klang Valley Mass Rapid Transit
PSI = Penang South Island

Note

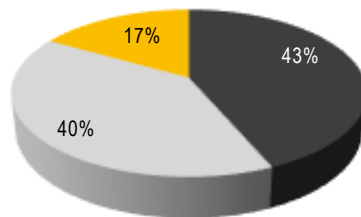
Net gearing at the table on the left excludes "marketable securities" vs. our quotes in the text

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, KVMRT 1&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 FY 22 (before FRS11)

■ Engineering & construction ■ Property development ■ Concessions

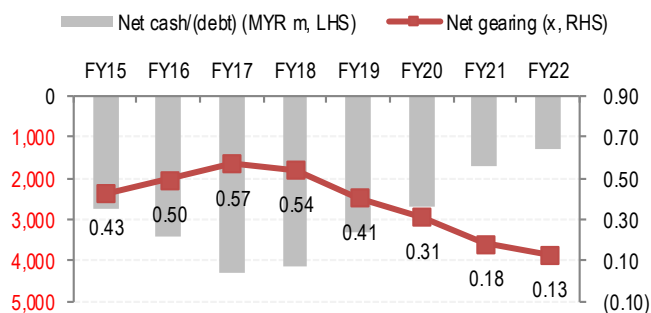


Source: Company

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 MYR21.5b and unbilled property pre-sales of MYR5.7b as of end-Apr 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 0.05x end-Apr 2023, below its internal cap of 0.7x, giving a debt headroom of c.MYR7b.

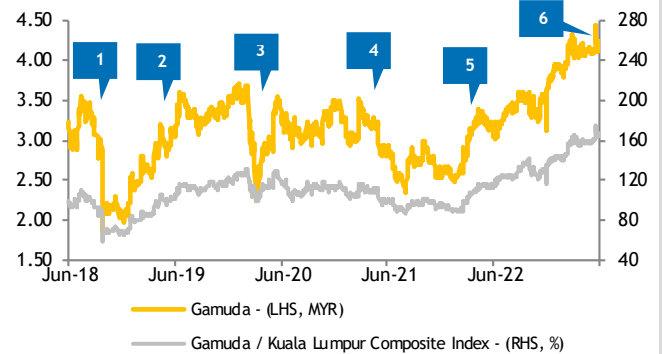
Net debt and gearing (including 'marketable securities')



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.

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.

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Fig 1: Results summary

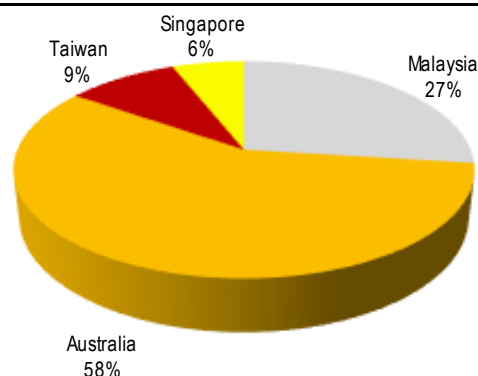
FY Jul (MYR m)	Quarterly					Cumulative			Comments
	3QFY23	3QFY22	% YoY	2QFY23	% QoQ	9MFY23	9MFY22	% YoY	
Turnover	2,067.1	1,140.6	81.2	1,443.0	43.2	4,816.7	3,047.4	58.1	
EBIT	254.8	194.6	30.9	175.6	45.1	568.3	398.9	42.5	
Interest expense	(7.5)	(17.3)	(56.4)	(27.6)	(72.7)	(52.7)	(66.5)	(20.8)	
Joint ventures profit	59.8	63.8	(6.2)	82.0	(27.1)	204.4	233.6	(12.5)	
Associates profit	2.4	1.9	25.1	0.2	1,037.6	4.3	5.7	(25.8)	
Pretax profit	309.5	243.0	27.3	230.1	34.5	724.3	571.7	26.7	
Tax	(81.9)	(37.0)	121.5	(31.2)	162.9	(141.1)	(92.8)	52.1	
Minorities	(4.2)	(4.9)	(15.5)	(4.3)	(3.9)	(20.2)	(17.4)	16.3	
Discontinued ops	-	20.4	NM	-	NM	1,023.7	89.5	1,044.4	Relates to tolled highways - sale completed on 13 Oct 2022.
Net profit	223.4	221.5	0.8	194.6	14.8	1,586.7	551.0	188.0	
Core net profit	223.4	221.5	0.8	194.6	14.8	608.4	551.0	10.4	Ex- MYR978.3m one-off gain from the sale of tolled highways (Gamuda's share).
EPS (sen)	8.0	8.7	(7.9)	7.3	10.9	60.6	21.8	177.5	
DPS (sen)	6.0	6.0	-	-	NM	50.0	12.0	316.7	2 nd interim of 6sen was in-line.
	3QFY23	3QFY22	+/- ppt	2QFY23	+/- ppt	9MFY23	9MFY22	+/-ppt	
EBIT margin (%)	12.3	17.1	(4.7)	12.2	0.2	11.8	13.1	(1.3)	
Pretax margin (%)	15.0	21.3	(6.3)	15.9	(1.0)	15.0	18.8	(3.7)	
Tax rate (%)	26.5	15.2	11.3	13.5	12.9	27.4	27.9	(0.5)	
SEGMENTAL									
Revenue (continued & discontinued ops)	3QFY23	3QFY22	% YoY	2QFY23	% QoQ	9MFY23	9MFY22	% YoY	
Engg & construction	1,357.1	520.6	160.7	1,692.3	(19.8)	3,808.6	2,381.3	59.9	Works on SMW-WT picked up; over seas revenue at MYR1b/qtr. Driven by Malaysia townships.
Property development	725.3	739.5	(1.9)	558.7	29.8	1,928.1	1,672.1	15.3	
Water O&M & toll exp	-	43.2	NM	(45.4)	NM	47.7	177.1	(73.1)	
Less: JV & Asso	(15.4)	(122.7)	(87.5)	(762.5)	(98.0)	(919.9)	(1,014.4)	(9.3)	
Engg & construction	12.2	(84.7)	NM	(738.7)	NM	(842.1)	(904.7)	(6.9)	
Property devt	(27.6)	(34.8)	(20.8)	(23.9)	15.6	(77.9)	(101.3)	(23.1)	
Water O&M & toll	-	(3.2)	NM	-	NM	-	(8.4)	NM	
Total	2,067.1	1,180.6	75.1	1,443.0	43.2	4,864.4	3,216.1	51.3	
Pretax profit (continued & discontinued ops)	3QFY23	3QFY22	% YoY	2QFY23	% QoQ	9MFY23	9MFY22	% YoY	
Engg & construction	127.1	18.7	578.2	81.4	56.2	250.9	81.6	207.7	
Property development	120.1	158.6	(24.2)	76.1	57.8	264.7	250.8	5.5	
Water O&M & toll exp	-	16.5	NM	(9.6)	NM	38.1	52.8	(27.8)	
Share of JV & Asso	62.2	75.9	(18.1)	82.2	(24.3)	230.5	303.3	(24.0)	
Engg & construction	54.2	66.1	(18.1)	81.7	(33.7)	194.5	238.1	(18.3)	
Property devt	8.0	(0.4)	NM	1.3	507.0	14.1	1.2	1,116.5	
Water O&M & toll	-	10.3	NM	(0.9)	NM	21.9	64.0	(65.9)	
Total	309.5	269.8	14.7	230.1	34.5	784.2	688.5	13.9	
Pretax profit (bf FRS 11) (continued ops only)	3QFY23	3QFY22	% YoY	2QFY23	% QoQ	9MFY23	9MFY22	% YoY	
Engineering & construction	180.5	99.9	80.7	187.2	(3.6)	506.9	386.3	31.2	
Property development	129.0	159.8	(19.3)	78.3	64.8	282.6	257.4	9.8	
Concessions	-	26.8	NM	-	NM	59.9	116.8	(48.7)	
Total	309.5	286.5	8.0	265.5	16.6	849.4	760.5	11.7	
Pretax margin (bf FRS 11) (continued ops only)	3QFY23	3QFY22	+/-ppt	2QFY23	+/-ppt	9MFY23	9MFY22	+/-ppt	
Engg & construction	13.3%	19.2%	(5.9)	11.1%	2.2	13.3%	16.2%	(2.9)	Lower blended margins on higher mix of overseas works.
Property development	17.8%	21.6%	(3.8)	14.0%	3.8	14.7%	15.4%	(0.7)	
Overall	14.9%	22.0%	(7.1)	12.0%	2.8	14.7%	18.0%	(3.3)	

Sources : Company, Maybank I&B Research

Engineering & Construction

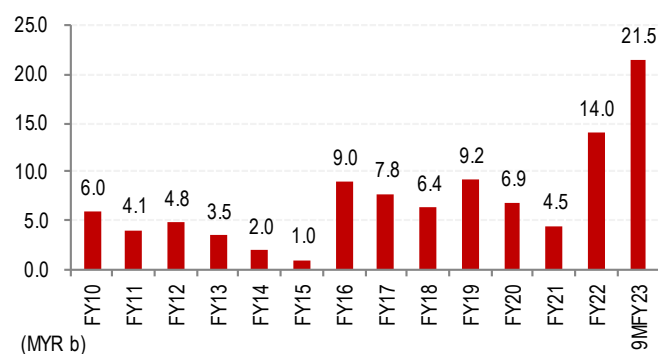
- **Outstanding orderbook at MYR21.5b as of end-Apr 2023** (vs. MYR14.5b end-Jan 2023) after including MYR3.5b latest job win of PSI's *Silicon Island* reclamation and MYR4.5b (AUD1.5b) from DTI (post completion of acquisition). The current orderbook provides earnings visibility into FY26. Projects in Australia dominate the outstanding orderbook (at 58% of total), followed by Malaysia (27%), Taiwan (9%) and Singapore (6%).

Fig 2: MYR21.5b outstanding orderbook @end-Apr 2023



Source: Company, Maybank IBG Research (chart)

Fig 3: Outstanding E&C orderbook



Source: Company, Maybank IBG Research (chart)

- **Secures PSI's *Silicon Island* reclamation works (Phase 1)**. Project developer, Silicon Island Development, has awarded a turnkey contract worth MYR3.7b to SRS TC (100% owned by Gamuda), which has, in turn, awarded a MYR3.5b turnkey reclamation contract to Gamuda Engineering. The reclamation work is for 1,260 acres, representing c.55% of *Silicon Island's* size. Works are expected to take 5 years, with mid-teens PBT margin target.
- **DTI acquisition completed, adding AUD1.5b (MYR4.5b) to orderbook**, with another AUD0.5b (MYR1.5b) expected in Jul 2023 after the remaining contracts are fully novated. Recall that the strategic acquisition, made by Gamuda's 100%-subsidiary, DT Infrastructure Pty Ltd (DTI), was for the Australian business of Downer EDI Works Pty Ltd and VEC Civil Engineering Pty Ltd for an enterprise value of AUD212m (e.MYR636m). Gamuda targets to double yearly revenue from Australia to a sustainable AUD3b (MYR9b) in 2-3 years, coming from both DTI and Gamuda Engineering Australia.
- **Still awaiting outcome of KVMRT3 CMC303 tender**. Gamuda (in a consortium) has submitted its tender for Package CMC303 of the KVMRT3, where its tender bid believed to be worth MYR13.3b. Tender validity for the civil work packages (including CMC 303) has been extended yet again to Sep 2023 (from Jun 2023). Gamuda is also eyeing the KVMRT3 system works worth at least MYR5b.

Fig 4: E&C orderbook - MYR21.5b outstanding @ end-Apr 2023 (vs. MYR14.5b @ end-Jan 2023)

Project	Outstanding (MYR m)	Status
MALAYSIA		
Silicon Island - Phase 1 reclamation	3,500	Expected to take 5 years (1,260 acres)
Rasau Water Supply Scheme - Stage 1	1,900	Work progress at 2% (vs. 1% @ end-Jan 2023) Targeted completion: 2025.

Fig 4: E&C orderbook - MYR21.5b outstanding @ end-Apr 2023 (continued)

Project	Outstanding (MYR m)	Status
MALAYSIA		
Pan Borneo Sarawak - WPC-04 (65% share)	Min	Work progress at 99% (vs. 99% @ end-Jan 2023). Targeted completion: 2023.
Data centre & others	300	Newly secured in 3QFY23.
Various others	100	(1) 2 nd trunk road Sarawak valued at MYR224m secured in a JV with Naim Engineering (work progress at 44% @ end-Jan 2023). (2) Residential building & other civil works in M'sia.
AUSTRALIA		
Sydney Metro West - Western Tunnel (100% share)	4,800	Work progress at 27% (vs. 20% @ end-Jan 2023). 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 7% (vs. 5% @ end-Jan 2023). A design-and-construct contract. Targeted completion: Late-2027.
M1 Motorway (40% share)	1,200	Newly secured. Targeted completion: 2028.
DTI projects	4,500	Various stages of completion.
TAIWAN		
Marine bridge (70% share)	100	Work progress at 82% (vs. 75% @ end-Jan 2023). Targeted completion: 2023.
Seawall reclamation (70% share)	300	Work progress at 56% (vs. 50% @ end-Jan 2023). Targeted completion: 2025.
Transmission line (50% share)	200	Work progress at 1%. Targeted completion: 2025.
Marine bridge extension (70% share)	100	Work progress at 46% (vs. 12% @ end-Jan 2023). Targeted completion: 2024.
Tao Yuan underground (60% share)	1,300	Newly secured in 2022. Targeted completion: 2030.
SINGAPORE		
Bus depot (100% share)	500	Work progress at 35% (vs. 39% @ end-Jan 2023). Targeted completion: 2023.
Defu Station & Tunnel (60% share)	800	Work progress at 4% (vs. 3% @ end-Jan 2023). Targeted completion: 2030.
Total	21,500	

Source: Company

Property development

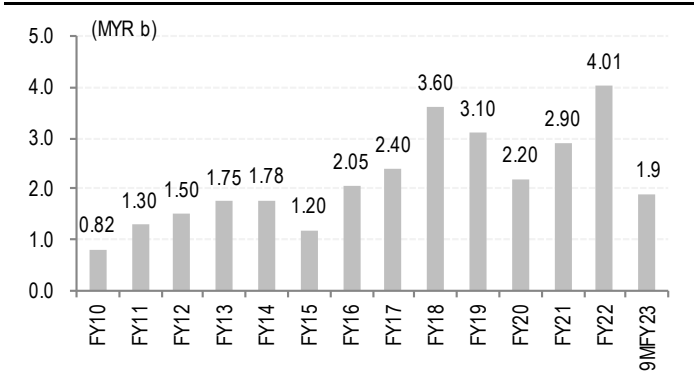
- **Pre-sales accelerated to MYR900m in 3QFY23** (2Q: MYR520m, 1Q: MYR480m). 9MFY23 pre-sales of MYR1.9b was, however, down 29% YoY as *Celadon City* (Vietnam) and *OLA* (Singapore) were fully sold. Domestic projects contributed 66% to the 9MFY23 pre-sales, of which 85% came from *Gamuda Cove*, *Gamuda Gardens*, *twentyfive.7* and *Jade Hills*. Overseas projects contributed 34%, coming from quick turnaround projects (QTP) projects - *The Canopy on Normanby* (Melbourne), *West Hampstead Central* (London), *Artisan Park* (HCMC) and *Elysian* (HCMC).
- **Maintains MYR4.5b pre-sales target for FY23.** Expectations are for 4QFY23 pre-sales to pick up strongly given large bookings-in-hand and indicative strong responses for upcoming launches. Gamuda now has a portfolio of 9 QTPs with a total GDV of MYR2.98b located in London, Melbourne and HCMC in Vietnam. It targets to add on another 2 QTPs in 2023, and 2-3 p.a. thereafter.
- **Unbilled sales stood at MYR5.7b end-Apr 2023** (vs. MYR5.4b end-Jan 2023).

Fig 5: Gamuda's property landbank and GDVs

Projects	Remaining land area (acres)	Remaining GDV (MYR m)	FY21A sales (MYR m)	FY22A sales (MYR m)	FY23F sales (MYR m)	FY24F sales (MYR m)
Malaysia						
Horizon Hills, Iskandar M'sia	304	2,406	180	210	250	300
Jade Hills, Klang Valley	5	604	170	260	200	150
Gamuda Gardens, Klang Valley	620	7,839	320	490	500	550
twentyfive.7, Klang Valley	119	2,989	90	285	400	450
Gamuda Cove, Klang Valley	1,402	20,878	160	570	650	650
Kundang Estates, Klang Valley	25	178	40	40	50	20
Others	49	2,612	160	185	250	180
Sub-total (1)	2,524	37,506	1,120	2,040	2,300	2,300
Overseas						
Gamuda City (Hanoi)	268	11,374	240	145	270	1,600
Celadon City (HCMC)	10	389	890	635	290	100
OLA EC (Singapore)	0	70	590	1,075	70	-
661 Chapel Street (Melbourne)	0	72	30	40	70	-
Sub-total (2)	278	11,905	1,750	1,895	700	1,700
Quick Turnaround Pits (QTP)						
Aldgate (90%, London)	NA	230	-	-	-	-
West Hampstead Central (85%, London)	NA	320	-	75	150	100
The Canopy on Normanby (Melbourne)	NA	560	-	-	350	150
Artisan Park (UG5.6, Binh Duong, HCMC)	NA	560	-	-	450	100
Elysian (HN2.8, HCMC)	NA	1,100	-	-	550	450
St Kilda (95 SKR, Melbourne)	NA	210	-	-	-	200
Future QTPs (various)	NA	NA	-	-	-	1,000
Sub-total (3)	NA	2,980	-	75	1,500	2,000
Total (1) + (2) + (3)	2,802	52,391	2,870	4,010	4,500	6,000
YoY growth (%)			+32%	+40%	+12%	+33%

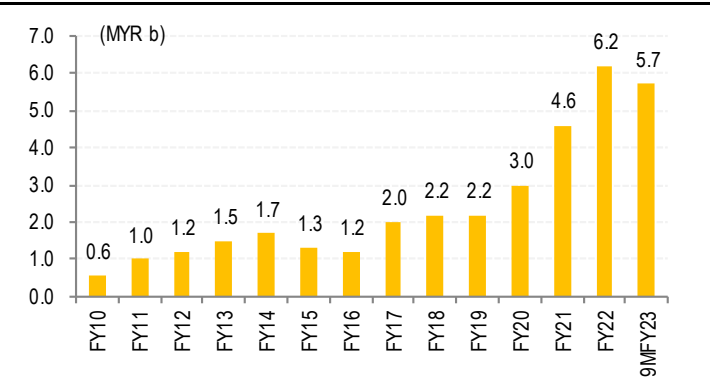
Source: Company

Fig 6: Property pre-sales



Source: Company, Maybank IBG Research (chart)

Fig 7: Unbilled property sales



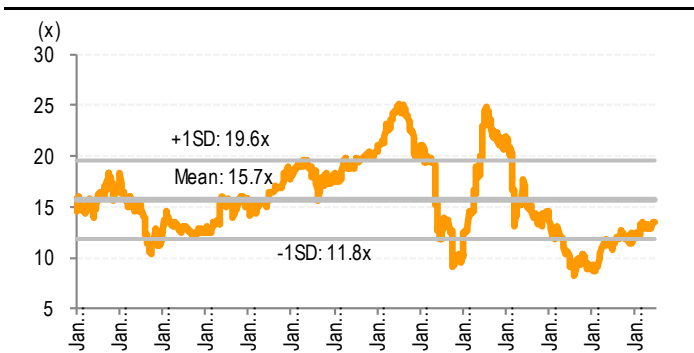
Source: Company, Maybank IBG Research (chart)

Renewal of Group MD’s contract

- By 5 years till 30 Jun 2028. We laud the renewal of Dato’ Lin’s contract of employment by the Board, providing continuity. Dato’ Lin has been instrumental in charting Gamuda’s strategic direction and Sustainability / ESG commitment as encapsulated in the *Gamuda Green Plan, 2025*.

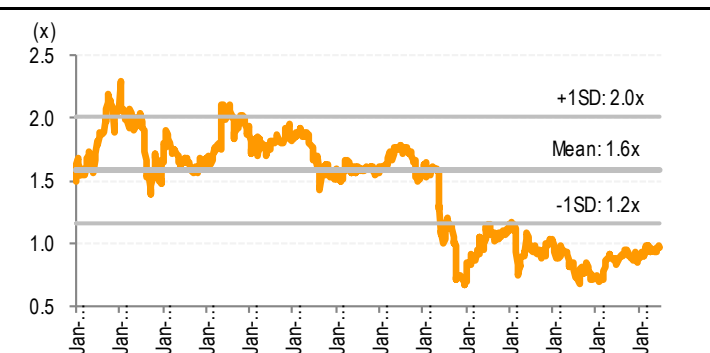
Valuation & foreign shareholding

Fig 8: 12M forward PER



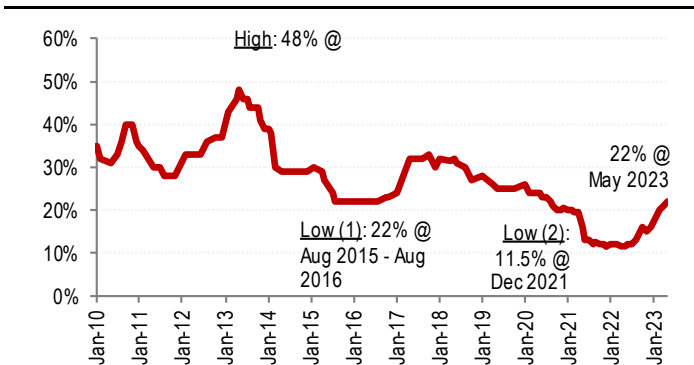
Source: Bloomberg, Maybank IBG Research

Fig 9: 12M forward P/B



Source: Bloomberg, Maybank IBG Research

Fig 10: Foreign shareholding



Source: Company

Fig 11: RNAV

1.0 ENGINEERING & CONSTRUCTION

	<u>Est. net profit</u> <u>(MYR'm)</u>	<u>Target PER (x)</u>	<u>Gamuda's share</u> <u>(MYR'm)</u>
FY23E E&C profit	300	15	4,500

2.0 PROPERTY

	<u>Unsold areas</u> <u>(acres)</u>	<u>Bal. GDV</u> <u>(MYR'm)</u>	<u>Shareholding</u> <u>(%)</u>	<u>NPV of future profits</u> <u>(MYR'm)</u>	<u>Gamuda's share</u> <u>(MYR'm)</u>
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

					12,693
					=====
No. of ordinary shares @ 30 Apr 2023					2,660.2
RNAV per share (MYR) - rounded					4.80

Source: Maybank IBS Research

FYE 31 Jul	FY21A	FY22A	FY23E	FY24E	FY25E
Key Metrics					
P/E (reported) (x)	13.2	9.0	6.2	13.4	10.0
Core P/E (x)	10.8	10.2	13.5	13.4	10.0
P/BV (x)	0.7	0.9	1.0	1.0	0.9
P/NTA (x)	0.7	0.9	1.0	1.0	0.9
Net dividend yield (%)	0.0	3.6	11.8	2.8	2.8
FCF yield (%)	9.0	nm	24.9	nm	1.2
EV/EBITDA (x)	13.4	12.7	14.6	11.4	8.8
EV/EBIT (x)	19.8	17.7	16.8	12.7	9.6

INCOME STATEMENT (MYR m)

Revenue	3,517.2	5,162.6	7,794.6	11,620.5	15,531.1
EBITDA	692.3	853.3	872.1	1,211.6	1,600.4
Depreciation	(225.2)	(240.9)	(117.1)	(123.0)	(129.1)
EBIT	467.1	612.4	755.0	1,088.7	1,471.3
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	2,025.3	1,140.5	1,520.6
Income tax	(154.1)	(179.8)	(213.2)	(302.1)	(404.1)
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	1,804.9	830.8	1,108.4
Core net profit	588.3	832.2	826.6	830.8	1,108.4

BALANCE SHEET (MYR m)

Cash & Short Term Investment:	2,656.7	2,794.3	2,467.9	1,592.2	1,636.5
Accounts receivable	1,748.4	2,478.1	2,926.5	5,318.1	7,107.8
Inventory	808.6	655.4	865.3	1,301.1	1,741.3
Property, Plant & Equip (net)	960.7	1,095.5	1,278.4	1,405.4	1,526.3
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	10,425.9	10,775.9	11,405.9
Total assets	18,440.2	20,273.7	19,184.4	21,634.9	24,684.0
ST interest bearing debt	1,452.2	1,535.3	1,105.9	1,511.2	1,849.2
Accounts payable	1,745.6	2,677.1	2,891.8	4,515.8	6,510.8
LT interest bearing debt	3,775.6	3,244.7	2,582.5	2,453.4	2,330.7
Other liabilities	1,951.0	2,567.0	1,494.0	1,513.0	1,541.0
Total Liabilities	8,924.5	10,023.9	8,074.4	9,992.9	12,232.0
Shareholders Equity	9,163.6	9,900.8	10,753.8	11,278.1	12,080.0
Minority Interest	352.1	349.1	356.3	363.9	372.0
Total shareholder equity	9,515.7	10,249.9	11,110.0	11,642.0	12,452.0
Total liabilities and equity	18,440.2	20,273.7	19,184.4	21,634.9	24,684.0

CASH FLOW (MYR m)

Pretax profit	786.3	1,015.5	2,025.3	1,140.5	1,520.6
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)	1,437.4	(1,506.8)	(814.8)
Cash taxes paid	(154.1)	(179.8)	(213.2)	(302.1)	(404.1)
Other operating cash flow	(314.7)	(401.1)	(257.4)	(21.8)	(24.0)
Cash flow from operations	1,057.4	444.2	3,074.6	(597.2)	381.6
Capex	(488.0)	(523.0)	(300.0)	(250.0)	(250.0)
Free cash flow	569.4	(78.8)	2,774.6	(847.2)	131.6
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)	(1,091.7)	276.2	215.4
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	0.0
Net cash flow	(295.0)	623.3	(326.5)	(875.7)	44.3

FYE 31 Jul	FY21A	FY22A	FY23E	FY24E	FY25E
Key Ratios					
Growth ratios (%)					
Revenue growth	(4.0)	46.8	51.0	49.1	33.7
EBITDA growth	7.2	23.3	2.2	38.9	32.1
EBIT growth	10.5	31.1	23.3	44.2	35.1
Pretax growth	33.2	29.2	99.4	(43.7)	33.3
Reported net profit growth	56.3	37.0	123.9	(54.0)	33.4
Core net profit growth	12.1	41.5	(0.7)	0.5	33.4
Profitability ratios (%)					
EBITDA margin	19.7	16.5	11.2	10.4	10.3
EBIT margin	13.3	11.9	9.7	9.4	9.5
Pretax profit margin	22.4	19.7	26.0	9.8	9.8
Payout ratio	0.0	37.5	72.6	37.8	28.4
DuPont analysis					
Net profit margin (%)	16.7	15.6	23.2	7.1	7.1
Revenue/Assets (x)	0.2	0.3	0.4	0.5	0.6
Assets/Equity (x)	2.0	2.0	1.8	1.9	2.0
ROAE (%)	6.6	8.5	17.5	7.5	9.5
ROAA (%)	3.2	4.3	4.2	4.1	4.8
Liquidity & Efficiency					
Cash conversion cycle	80.1	16.5	17.7	36.0	39.9
Days receivable outstanding	203.3	147.4	124.8	127.7	144.0
Days inventory outstanding	119.5	64.8	40.2	37.9	39.7
Days payables outstanding	242.8	195.7	147.3	129.6	143.8
Dividend cover (x)	nm	2.7	1.4	2.6	3.5
Current ratio (x)	2.2	2.2	2.2	1.9	1.6
Leverage & Expense Analysis					
Asset/Liability (x)	2.1	2.0	2.4	2.2	2.0
Net gearing (%) (incl perps)	27.0	19.4	11.0	20.4	20.4
Net gearing (%) (excl. perps)	27.0	19.4	11.0	20.4	20.4
Net interest cover (x)	na	na	na	na	na
Debt/EBITDA (x)	7.6	5.6	4.2	3.3	2.6
Capex / revenue (%)	13.9	10.1	3.8	2.2	1.6
Net debt/ (net cash)	2,571.1	1,985.7	1,220.5	2,372.4	2,543.4

Source: Company; Maybank IBG Research

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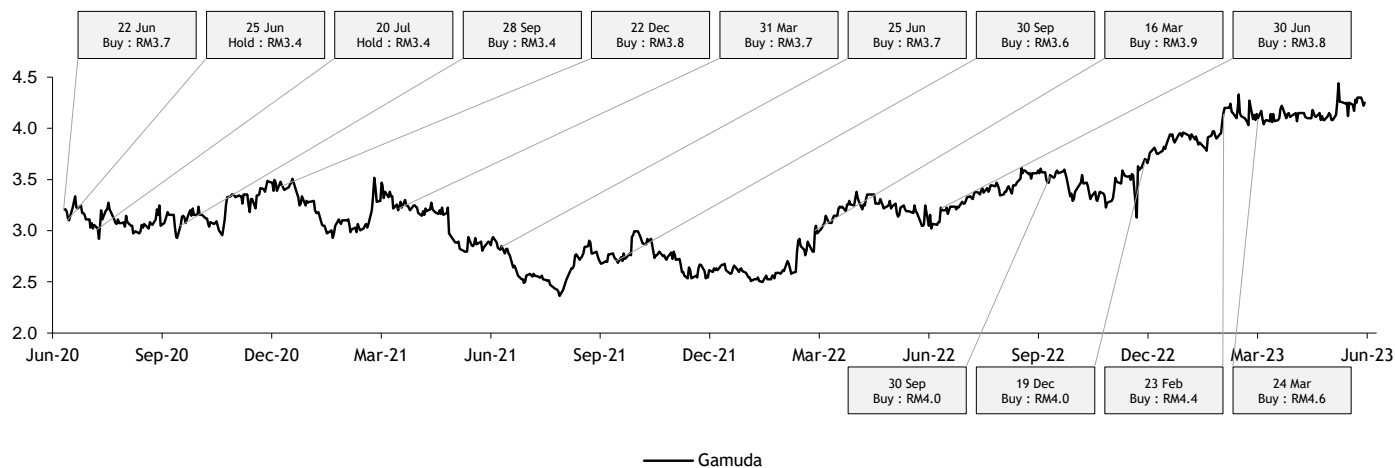
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Historical recommendations and target price: Gamuda (GAM MK)



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