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KEY HIGHLIGHTS

Company Results

Gamuda (GAM MK/BUY/RM4.41/Target: RM5.64) Page 2
1QFY24: Earnings within expectations; anticipate stronger earnings ahead from construction and property development segments. Maintain BUY.

Company Update

Deleum (DLUM MK/BUY/RM0.95/Target: RM1.12) Page 5
Management's guidance echoes our sentiment of Deleum being a net beneficiary of ESG and inflation effects for P&M, while offering growth potential for its transition projects.

TRADERS' CORNER

Page 8

Infoline Tec Group (INFOTEC MK): Technical BUY

Itmax System (ITMAX MK): Technical BUY

KEY INDICES

	Index	pt chg	% chg
FBMKLCI	1,445.82	(3.6)	(0.3)
Bursa Emas	10,655.30	(27.1)	(0.3)
Ind Product	169.93	0.1	0.1
Finance	16,312.21	(28.1)	(0.2)
Consumer	549.51	(1.8)	(0.3)
Construction	182.36	(0.7)	(0.4)
Properties	839.51	(1.7)	(0.2)
Plantations	6,976.73	(12.2)	(0.2)

BURSA MALAYSIA TRADING & PARTICIPATION

Malaysia Turnover	6-Dec-23	% chg
Volume (m units)	2,798	(20.9)
Value (RMm)	1,809	(9.5)

By Investor type	(%)	ppt chg
Foreign investors	33.1	1.3
Local retail	27.0	0.8
Local institution	39.9	(2.0)

TOP TRADING TURNOVER / GAINERS / LOSERS

	Price	Chg	5-day ADT
<u>Top Trading Turnover</u>	(RM)	(%)	(RM'000)
Public Bank	4.25	0.0	156,459
CIMB Group	5.75	0.0	113,846
Hong Leong Financial	16.64	0.2	107,881
Malayan Banking	9.00	(0.1)	74,941
Malaysia Airports	7.07	(0.1)	47,186

Top Gainers

Astro Malaysia	0.37	2.8	2,981
Sunway	1.95	2.1	13,781
Berjaya Corp	0.29	1.8	5,096
Mah Sing Group	0.79	1.3	4,673
MY EG Services	0.82	1.2	15,027

Top Losers

Velesto Energy	0.21	(6.8)	30,408
SP Setia	0.74	(3.3)	6,703
Hartalega	2.37	(3.3)	19,729
Axiata Group	2.37	(2.1)	20,676
Coastal Contracts	1.63	(1.8)	255

OTHER STATISTICS

	6-Dec-23	chg	% chg
RM/US\$	4.67	0.00	0.1
CPO 3rd mth future (RM/mt)	3,719	(62.0)	(1.6)

ADT = Average daily turnover

Note: Top volume, gainers and losers are based on FBM100 component stocks

COMPANY RESULTS

Gamuda (GAM MK)

1QFY24: Within Expectations; Stronger Earnings Ahead

Gamuda's 1QFY24 core net profit of RM186.3m came in within expectations as we expect stronger earnings in the rest of FY24. The near-term outlook for the construction segment remains resilient, backed by a robust orderbook of RM24b as of end-1QFY24 and a pipeline of mega projects. The property division is also poised to record stronger earnings in FY24 on progressive recognition of unbilled sales. **Maintain BUY. Target price: RM5.64.**

1QFY24 RESULTS

Year to 31 Jul	1QFY24 (RMm)	qoq % chg	yoy % chg	Comments
Revenue	2,804.7	(17.9)	114.6	
Engineering & Construction	2,240.2	(11.5)	225.2	Driven by overseas projects
Property Dev & Club Operations	564.5	(36.2)	(8.6)	Lower revenue from Vietnam
Operating expenses	(2,561.5)	16.6	(121.1)	
EBIT	243.2	(29.4)	64.4	
Engineering & Construction	137.3	(13.5)	121.6	Lower revenue and margins
Property Dev & Club Operations	105.9	(43.0)	23.2	Lower revenue and margins
PBT	239.7	(30.2)	29.8	Higher finance costs
PATAMI	195.0	(22.5)	34.5	
Core PATAMI	186.3	(21.5)	29.1	
Margin	%	+/- ppt	+/- ppt	
EBIT	8.7	(1.4)	(2.6)	
EBIT - Construction	6.1	(0.1)	(2.9)	
EBIT - Prop Dev	18.8	(2.3)	4.8	
PBT	8.5	(1.5)	(5.6)	
Core PATAMI	6.6	(0.3)	(4.4)	

Source: Gamuda, UOB Kay Hian

RESULTS

- Within expectations.** Gamuda Berhad (Gamuda) reported a 1QFY24 core net profit of RM186.3m (-21.5 qoq, +29.1% yoy), after stripping off RM7.4m of gains on disposal and RM1.3m in forex gains, on a revenue of RM2.8b (-17.9% qoq, +114.6% yoy). We deem 1QFY24 earnings within expectations, despite it making up only 19% of our forecast and 18% of consensus' estimates. We expect stronger earnings ahead for the rest of FY24 as earnings from both construction and property development segments gradually gain traction. Gamuda also declared a first interim dividend of 6 sen, on track to meeting its 12 sen dividend target in FY24.

KEY FINANCIALS

Year to 31 Jul (RMm)	2022	2023	2024F	2025F	2026F
Net turnover	4,902	8,220	12,914	17,514	18,640
EBITDA	746	1,023	1,670	2,065	2,195
Operating profit	635	903	1,493	1,863	1,892
Net profit (rep./act.)	726	815	977	1,290	1,305
Net profit (adj.)	726	800	977	1,290	1,305
EPS (sen)	28.4	30.2	34.3	45.3	45.8
PE (x)	15.5	14.6	12.9	9.7	9.6
P/B (x)	1.1	1.1	1.1	1.0	1.0
EV/EBITDA (x)	19.8	14.4	8.9	7.2	6.7
Dividend yield (%)	2.7	11.3	2.7	2.7	2.7
Net margin (%)	14.8	9.9	7.6	7.4	7.0
Net debt/(cash) to equity (%)	20.1	24.4	26.8	25.3	16.7
Interest cover (x)	8.6	13.2	13.4	16.6	17.7
ROE (%)	7.6	8.0	9.1	11.2	10.5
Consensus net profit	-	-	1,018	1,172	1,240
UOBKH/Consensus (x)	-	-	0.96	1.10	1.05

Source: Gamuda, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	RM4.41
Target Price	RM5.64
Upside	+27.9%

COMPANY DESCRIPTION

Civil engineering construction with exposure in property development and water concessions.

STOCK DATA

GICS sector	Industrials
Bloomberg ticker:	GAM MK
Shares issued (m):	2,699.2
Market cap (RMm):	11,903.5
Market cap (US\$m):	2,549.9
3-mth avg daily t'over (US\$m):	5.4

Price Performance (%)

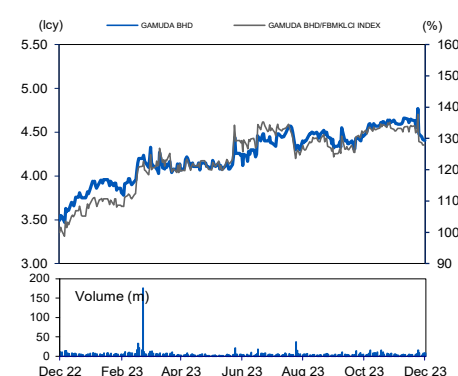
52-week high/low RM4.77/RM3.47

1mth	3mth	6mth	1yr	YTD
(5.0)	(0.2)	4.0	24.8	17.6

Major Shareholders	%
Employees Provident Fund	14.0
Skim Amanah Saham Bumiputera	10.4
AIA Bhd	4.2

FY24 NAV/Share (RM)	3.87
FY24 Net Debt/Share (RM)	1.04

PRICE CHART



Source: Bloomberg

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STOCK IMPACT

• **Resilient earnings backed by robust orderbook.** The construction and engineering division recorded a weaker EBIT of RM137.3m (-13.5% qoq, +121.6% yoy) in 1QFY24, weighed down by the decline in revenue to RM2.2b (-11.5% qoq, +225.2% yoy) coupled with slightly lower profit margins. While noting that the qoq weakness mainly stemmed from slower construction progress achieved from ongoing projects, we believe the progress billing will pick up pace in the coming quarters. This would set the stage for an upswing in construction earnings for FY24. Gamuda's orderbook remains robust at RM24.0b as of end-1QFY24 which translates into a cover ratio of 2.9x. The increase in the orderbook was mainly supported by the contract award for Kaohsiung Mass Rapid Transit (MRT) as well as the inclusion of DT Infrastructure's projects.

• **Riding on huge pipeline of infrastructure projects.** On the other hand, Gamuda also announced that it has secured a contract worth S\$509.6m (approximately RM1.8b) for the design and construction of West Coast station and tunnels by the Land Transport Authority of Singapore on 6 Dec 23. This project is part of Singapore's 15km Cross Island Line Phase 2 Mass Rapid Transit (MRT) line. We also note that the project is expected to kick off in 1Q24 and be completed by 2032. This also brings Gamuda's total job wins so far in FY24 to RM4.4b, improving the group's earnings visibility over the near term.

Management's orderbook replenishment guidance of RM25b in FY24-25 also remains intact, as they anticipate another 3-4 big-ticket projects to come into fruition in the coming 12 months. Some key projects in the pipeline include the upcoming award of the construction packages for Upper Padas Hydroelectric Dam in Tenom, Sabah (estimated construction costs of RM3b) as well as the Penang LRT (estimated construction costs of RM7b-8b). On a negative note, we note that the validity of tenders for MRT3 has been extended again to end-Mar 24 (from end-Dec 23) by the government. This would subsequently lead to a further delay in the rollout of the mega railway project.

• **Property division dragged by weaker earnings from Vietnam; to see better earnings.** The property segment also posted a lower EBIT of RM105.9m (-43.0% qoq, +23.2% yoy) in 1QFY24, largely due to the decrease in revenue as well as profit margin compressions. The weakened earnings qoq was dragged by lower revenue from Vietnam as Celadon City approaches its project tail-end, despite being mitigated by higher contributions from domestic operations. The group achieved sales of RM454m in 1QFY24, and is on track to achieve its presales target of RM5.6b for FY24 on sales growth in overseas projects and quick turnaround projects. Meanwhile, its unbilled sales stood at RM6.7b as of end-1QFY24, which suggests steady earnings in the next 2-3 years.

EARNINGS REVISION/RISK

- Our forecasts are unchanged.

VALUATION/RECOMMENDATION

• **Maintain BUY with an unchanged SOTP-based target price of RM5.64.** Our target price implies 17x FY24F PE (+0.25SD to the five-year historical average of 15x). Gamuda stands to be the prime beneficiary of the upcoming mega infrastructure projects both locally and regionally. We also like the company for its superior earnings visibility backed by a robust orderbook coupled with progressive new property launches.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) UPDATES

• Environmental
- Commits to reduce greenhouse gas emission intensity by 30%/45% in 2025/30.
• Social
- Well-diversified workforce in terms of gender: female (43%) and male (57%).
• Governance
- Independent directors make up 57% of its board composition.

ORDERBOOK AS OF END-1QFY24

Projects	Value RMB	Progress %
Malaysia		
Silicon Island Phase 1	3.7	0
Rasau WTP Phase 1	1.8	5
Pan Borneo Sarawak (65% share)	0.0	99
Second Trunk Road Sarawak	0.0	50
Others	0.1	88
Australia		
SMW-WTP	4.7	39
Coffs Harbour Bypass (50% share)	1.7	16
M1 Motorway (40% share)	1.1	9
DTI projects	4.6	various
Taiwan		
Marine bridge (70% share)	0.1	88
Seawall reclamation (70% share)	0.2	72
Transmission line (50% share)	0.2	11
Marine bridge ext (70% share)	0.1	74
Tao Yuan underground (60% share)	1.3	1
Kaoshiung MRT YC01 (88% share)	3.0	0
Singapore		
Bus depot	0.5	49
Defu station (60% share)	0.9	10
Total Orderbook	24.0	

Source: Gamuda, UOB Kay Hian

SEGMENTAL FORECAST

	FY24F	FY25F	FY26F
Revenue (RMb)			
Engineering & Construction	7.82	11.49	13.21
Property Dev & Club	5.09	6.02	5.43
Water Concession	0.00	0.00	0.00
Total	12.91	17.51	18.64
Operating Profit (RMb)			
Engineering & Construction	0.72	0.95	0.88
Property Dev & Club	0.73	0.87	0.97
Water Concession	0.04	0.04	0.04
Total	1.49	1.86	1.89

Source: Gamuda, UOB Kay Hian

SUM-OF-THE-PARTS VALUATION

	RMm	Remarks
Construction	11,528	17x FY24 PE
Property (Malaysia)	5,458	30% discount to RNAV
Water Concession	350	
Vietnam Landbank	1,552	40% discount to RNAV
Proceeds from SPLASH	933	
Less Net Debt	(3,754)	
Total SOTP Value	16,067	
Dilluted No. of Shares (m)	2,849	
Target Price (RM)	5.64	

Source: Gamuda, UOB Kay Hian

PROFIT & LOSS

Year to 31 Jul (RMm)	2023	2024F	2025F	2026F
Net turnover	8,220	12,914	17,514	18,640
EBITDA	1,023	1,670	2,065	2,195
Deprec. & amort.	(120)	177	202	303
EBIT	903	1,493	1,863	1,892
Total other non-operating income	0	113	163	147
Associate contributions	233	6	6	7
Net interest income/(expense)	(78)	(124)	(124)	(124)
Pre-tax profit	1,058	1,487	1,908	1,921
Tax	(221)	(367)	(428)	(424)
Minorities	(22)	(143)	(189)	(192)
Net profit	815	977	1,290	1,305
Net profit (adj.)	800	977	1,290	1,305

CASH FLOW

Year to 31 Jul (RMm)	2023	2024F	2025F	2026F
Operating	404	223	576	1,511
Pre-tax profit	1,058	1,487	1,908	1,921
Tax	(238)	(367)	(428)	(424)
Deprec. & amort.	120	177	202	303
Associates	(227)	(6)	(6)	(7)
Working capital changes	(166)	(1,080)	(1,061)	(260)
Non-cash items	0	(119)	(169)	(153)
Other operating cashflows	(142)	131	131	131
Investing	(233)	(180)	(180)	(180)
Capex (growth)	(793)	(180)	(180)	(180)
Investments	0	(119)	(169)	(153)
Proceeds from sale of assets	2,567	0	0	0
Others	(2,007)	119	169	153
Financing	771	(466)	(466)	(466)
Dividend payments	(1,443)	(342)	(342)	(342)
Issue of shares	98	0	0	0
Proceeds from borrowings	2,128	0	0	0
Others/interest paid	(13)	(124)	(124)	(124)
Net cash inflow (outflow)	943	(423)	(71)	865
Beginning cash & cash equivalent	1,908	2,831	2,408	2,337
Changes due to forex impact	(21)	0	0	0
Ending cash & cash equivalent	2,831	2,408	2,337	3,202

BALANCE SHEET

Year to 31 Jul (RMm)	2023	2024F	2025F	2026F
Fixed assets	6,114	1,013	1,373	2,064
Other LT assets	2,447	6,376	6,545	6,698
Cash/ST investment	2,831	2,408	2,337	3,202
Other current assets	12,393	16,275	19,237	19,674
Total assets	23,784	25,485	28,906	31,052
ST debt	1,410	1,535	1,535	1,535
Other current liabilities	5,402	8,788	11,071	11,630
LT debt	5,514	3,245	3,245	3,245
Other LT liabilities	532	432	432	432
Shareholders' equity	10,791	11,027	11,976	12,939
Minority interest	135	515	704	896
Total liabilities & equity	23,784	25,485	28,906	31,052

KEY METRICS

Year to 31 Jul (%)	2023	2024F	2025F	2026F
Profitability				
EBITDA margin	12.4	12.9	11.8	11.8
Pre-tax margin	12.9	11.5	10.9	10.3
Net margin	9.9	7.6	7.4	7.0
ROA	3.8	4.1	4.7	4.4
ROE	8.0	9.1	11.2	10.5
Growth				
Turnover	67.7	57.1	35.6	6.4
EBITDA	37.1	63.2	23.6	6.3
Pre-tax profit	17.8	40.6	28.2	0.7
Net profit	12.3	19.9	32.1	1.1
Net profit (adj.)	10.2	22.2	32.1	1.1
EPS	10.2	22.2	32.1	1.1
Leverage				
Debt to total capital	30.8	29.3	27.4	25.7
Debt to equity	46.0	43.3	39.9	36.9
Net debt/(cash) to equity	24.4	26.8	25.3	16.7
Interest cover (x)	13.2	13.4	16.6	17.7

COMPANY UPDATE

Deleum (DLUM MK)

Charging Ahead On Growth And Sustainability

Deleum's latest guidance on its pricing power for solar turbine/valve overhaul and retrofit works (under the P&M segment) echoes our sentiment of the stock being a net beneficiary of ESG demand and inflation. This theme will more than offset volatilities in certain business expansion costs, which we think should be well-contained given its low gearing position. There is trading upside should any of the transition projects materialise into growth. We maintain BUY and target price of RM1.12.

WHAT'S NEW

- **4Q23 results may contain non-recurring costs of about RM6m, based on our estimates.** This includes: a) the cost for upgrading Enterprise Resource Planning (ERP) system from 2H23 to mid-24 (we assume 3Q24 as the target date for full implementation), b) some of the RM5m additional opex allocated for 2023 which was spent on the Oilfield Services (OS) segment's Solids Control Equipment which is still in its gestation period, and c) minor costs to support other energy transition projects.

- **New business ventures and upgrades will take time to translate into profit growth.** Deleum has several new business ventures/partnerships in the early stages:

a) **Deleum's patented Dynamic Sludge Treatment Process** which solves the problem of wastage of tough tank bottom sludge usually generated from downstream and shipping assets, allowing for optimal recovery of oil and water. We highlighted in our Jun 23 update that a pilot project was done at the Sabah O&G Terminal with Petronas in late-Apr 23. The project was successful and reached the important technological readiness level (TRL) 7, with only two more TRL left for full commercialisation.

b) **Australian company LC60.** LatConnect 60 (LC60) is developing an emission monitoring technology for greenhouse gases (GHG) like methane and carbon dioxide (CO₂). LC60's tech is able to measure up to specific plant emissions and is applicable not only for O&G but extends to forestry, vegetation (to enable Carbon Sequestration and issuance of Carbon Credits) and agricultural productivity. Since being featured in Malaysia's Langkawi International Maritime and Aerospace (LIMA) Exhibition in May 23, LC60's satellite data is said to be able to boost Malaysia rice production by 15%. Most recently, LC60 was chosen as part of the Climate Innovators for the COP28 conference. Deleum has a technology partnership with LC60 for the Asia Pacific region, including data sharing to enhance and calibrate the LC60 satellite data.

KEY FINANCIALS

Year to 31 Dec (RMm)	2021	2022	2023F	2024F	2025F
Net turnover	558	698	761	809	867
EBITDA	78	96	92	97	104
Operating profit	41	62	65	70	78
Net profit (rep./act.)	17	42	44	47	52
Net profit (adj.)	32	42	44	47	52
EPS (sen)	7.9	10.5	10.9	11.7	12.9
PE (x)	12.0	9.0	8.7	8.1	7.4
P/B (x)	1.1	1.0	0.9	0.9	0.8
EV/EBITDA (x)	3.0	2.5	2.6	2.4	2.3
Dividend yield (%)	2.1	3.2	5.8	6.2	6.8
Net margin (%)	3.1	6.0	5.7	5.8	6.0
Net debt/(cash) to equity (%)	(45.2)	(42.5)	(42.5)	(50.2)	(58.7)
Interest cover (x)	42.2	149.7	137.2	90.1	94.3
ROE (%)	4.8	11.3	11.0	11.1	11.6
Consensus net profit	-	-	37	54	56
UOBKH/Consensus (x)	-	-	1.17	0.87	0.92

Source: Deleum, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	RM0.95
Target Price	RM1.12
Upside	+16.9%

COMPANY DESCRIPTION

Deleum provides a diverse range of specialised supporting products and services to the oil & gas industry.

STOCK DATA

GICS sector	Energy
Bloomberg ticker:	DLUM MK
Shares issued (m):	401.6
Market cap (RMm):	381.5
Market cap (US\$m):	81.8
3-mth avg daily t'over (US\$m):	0.1

Price Performance (%)

52-week high/low RM1.15/RM0.855

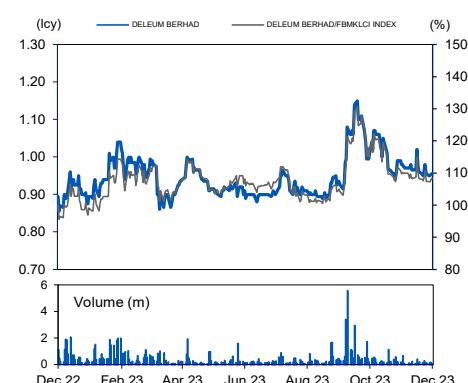
1mth	3mth	6mth	1yr	YTD
(4.0)	2.7	3.3	4.4	5.6

Major Shareholders

	%
Lantas Mutiara	20.4
Hartapac	12.0

FY23 NAV/Share (RM)	1.02
FY23 Net Cash/Share (RM)	0.44

PRICE CHART



Source: Bloomberg

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c) **Solids control equipment.** Being part of the total drilling fluids management, it helps improve drilling fluid properties, lower mud dilution rate and remove solids. Deleum is providing the total package (of 4-5 types of solid control equipment), and this expands its Specialty Chemicals into Mud Chemicals and Drilling Fluids Scope. This is one of the key business focuses for 2023, and hence more costs (2023: RM5m) are incurred for expansion.

d) **Midad Holding.** Deleum has an existing partnership with Saudi Arabia's Midad Holding since 2019 (for a three-well trial program), but till date it has yet to accept and tender together for jobs in the Middle East, as the scale of works were too small.

e) **US company CRA Tubular.** First highlighted by us in the 3Q23 results report, Deleum has officially partnered with local company Sutera Energy Solutions and CRA Tubular for its disruptive Titanium-lined Carbon Composite Tubulars (TCT) technology for Carbon Capture and Storage (CCS) wells. We understand that Deleum's investment is small at US\$0.3m. The JV aims to establish a manufacturing facility in Malaysia in 2024. Previously, management guided that inorganic capex may be up to RM50m, although we are unsure if this is the cost estimate for said facility.

• **ICS segment likely to see some revenue gap.** For integrated corrosion services (ICS), the Carigali Maintenance, Construction and Modification (MCM) contracts were only recently floated out, and it is very likely the award will only be in 2024. Deleum had completed the previous MCM scope in mid-23 and is only in the sponge jet business. Management is expecting a loss of RM6m for 2023 (9M23: RM4m), and hopes to break even by 1Q24.

• **The higher revenue base of P&M will be resilient.** As a recap, Deleum renewed the Master Service Agreement (MSA) for turbomachinery services which is valid until Sep 24. Deleum also managed to renew into a seven-year contract for the supply of control valves in Oct 22. Management concurs with us that due to the net-zero transition demand for greener turbines and inflation effects, Deleum has the pricing power to secure additional overhaul and retrofit works to improve the Solar Turbines' emission reduction values in the next overhaul cycles of its existing customer base of >300. Hence, we now expect P&M revenue to be higher vs the RM0.5b base in 2022, and RM0.4b p.a. prior to 2022.

EARNINGS REVISION/RISK

• **No change to forecasts.** Our forecasts imply a 4Q23 profit of RM13m (3Q23: RM15m; 4Q22: RM16m), which is reasonable vs management's latest guidance.

VALUATION/RECOMMENDATION

• **Maintain BUY and target price of RM1.12.** Pegged to unchanged 10x 2024F PE (5% dividend yield), we now believe there is further upside for the stock and its dividend yield, as P&M's resiliency will more than offset the risks of contract renewals for the other upstream services. Also, Deleum is embarking on new growth, while also benefiting from ESG and energy transition trends in its bread-and-butter P&M overhaul business. This means there is also trading upside for any successful commercialisation of its green/transition ventures, especially given its low gearing position.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

Environmental
- Voluntary greenhouse gas (GHG) emission compliance. Deleum has mid-term and long-term targets on GHG emissions reductions to be aligned to world-standard goals. Deleum reduced GHG emissions by 26%/30% in 2022/21.
- Safety. Loss time injury frequency (LTIF) was 0.076 in 2022 (2021: 0.077).
Social
- Zero reported incidents/infringements of human rights and no forced labour.
Governance
- 4 out of 7 board members are independent.
- Zero corruption. Went above and beyond what was expected as whistleblower to a lucrative maintenance contract, and enhancing internal contracts.

SEGMENTAL FORECASTS

RMm	2022	2023F	2024F
Revenue	698.0	760.5	808.7
P&M	504.4	580.1	591.7
Oilfield	119.3	117.5	129.1
ICS	73.7	63.0	88.0
EBIT	66.1	64.7	69.9
P&M	48.1	62.8	60.9
Oilfield	0.3	0.0	6.5
ICS	17.5	1.9	2.6
Margins (%)	9.5%	8.5%	8.6%
P&M	9.5%	10.8%	10.3%
Oilfield	8.0%	0.0%	5.0%
ICS	3.0%	3.0%	3.0%

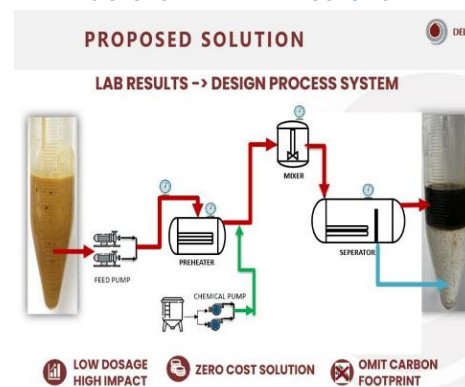
Source: UOB Kay Hian

ACTUAL CAPEX VS BUDGET

RMm	2022	2021	2020	2019
Actual	8.6	12.7	262.9	62.6
Authorised	24.1	16.6	30.5	69.0
Contracted, but yet to incur	2.7	0.8	3.7	16.4
Remaining budget capex uncontracted	20.1	15.3	26.0	51.4

Source: UOB Kay Hian

DYNAMIC SLUDGE TREATMENT SOLUTION



Source: Deleum

OTHER PARTNERSHIPS



Source: Various sources

PROFIT & LOSS

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
Net turnover	698	761	809	867
EBITDA	96	92	97	104
Deprec. & amort.	33	27	27	26
EBIT	62	65	70	78
Total other non-operating income	n.a.	n.a.	n.a.	n.a.
Associate contributions	6	6	6	6
Net interest income/(expense)	(1)	(1)	(1)	(1)
Pre-tax profit	68	70	75	83
Tax	(17)	(18)	(19)	(21)
Minorities	(9)	(9)	(10)	(11)
Net profit	42	44	47	52
Net profit (adj.)	42	44	47	52

CASH FLOW

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
Operating	24	86	94	107
Other operating cashflows	24	86	94	107
Investing	(15)	(15)	(15)	(15)
Capex (maintenance)	(25)	(25)	(25)	(25)
Others	10	10	10	10
Financing	(24)	(35)	(37)	(40)
Dividend payments	(12)	(22)	(23)	(26)
Proceeds from borrowings	25	25	25	25
Loan repayment	(30)	(30)	(30)	(30)
Others/interest paid	(7)	(8)	(8)	(9)
Net cash inflow (outflow)	(15)	37	43	52
Beginning cash & cash equivalent	183	169	205	249
Changes due to forex impact	6	0	0	0
Ending cash & cash equivalent	174	205	249	301

BALANCE SHEET

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
Fixed assets	110	108	106	105
Other LT assets	67	75	62	63
Cash/ST investment	174	205	249	301
Other current assets	362	392	416	444
Total assets	714	781	832	912
ST debt	8	30	30	30
Other current liabilities	276	298	324	376
LT debt	1	1	1	1
Other LT liabilities	15	15	15	15
Shareholders' equity	389	409	433	459
Minority interest	26	28	30	32
Total liabilities & equity	714	781	832	912

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	13.7	12.1	12.0	12.0
Pre-tax margin	9.7	9.3	9.3	9.6
Net margin	6.0	5.7	5.8	6.0
ROA	6.4	5.9	5.8	5.9
ROE	11.3	11.0	11.1	11.6
Growth				
Turnover	25.0	8.9	6.3	7.2
EBITDA	23.0	(3.6)	5.1	7.7
Pre-tax profit	111.2	3.8	6.9	10.5
Net profit	146.9	3.8	6.9	10.5
Net profit (adj.)	33.6	3.8	6.9	10.5
EPS	33.6	3.8	6.9	10.5
Leverage				
Debt to total capital	2.1	6.7	6.4	6.0
Debt to equity	2.3	7.7	7.3	6.9
Net debt/(cash) to equity	(42.5)	(42.5)	(50.2)	(58.7)
Interest cover (x)	149.7	137.2	90.1	94.3

TRADERS' CORNER



Source: UOBKH ChartGenie

Infoline Tec Group (INFOTEC MK)

Technical BUY with +28.1% potential return

Last price: RM0.835

Target price: RM0.96, RM1.07

Support: RM0.795

Stop-loss: RM0.79

BUY with a target price of RM1.07 and stop-loss at RM0.79. Based on the daily chart, share price is recovering gradually and moved above the 7- and 21-day EMAs to close higher at RM0.835 yesterday. This is supported by an uptick in the RSI and a bullish crossover in the MACD and DMI, indicating the positive momentum will strengthen in the near term. We peg our targets at RM0.96 and RM1.07 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Itmax System (ITMAX MK)

Technical BUY with +11.2% potential return

Last price: RM1.79

Target price: RM1.89, RM1.99

Support: RM1.65

Stop-loss: RM1.64

BUY with a target price of RM1.99 and stop-loss at RM1.64. Based on the daily chart, ITMAX has formed higher highs and higher lows that indicate an uptrend pattern. This is supported by the 7-day EMA crossing above the 21-day EMA, which is a bullish signal. This is also consistent with the uptick in the RSI, which suggests stronger buying momentum ahead. Additionally, the bullish crossover in the +DI and ADX lines suggests strong upward movements.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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