



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51,349.9	(0.3)	(1.0)	(4.1)	6.8
S&P 500	7,670.8	(0.2)	(1.2)	(0.5)	12.1
FTSE 100	10,636.7	(0.5)	(0.7)	(1.7)	7.1
AS30	8,886.6	0.4	(0.7)	(4.1)	(1.5)
CSI 300	4,345.2	0.1	(4.3)	(6.1)	(6.1)
FSSTI	5,714.8	(0.2)	(0.2)	(0.7)	23.0
HSCEI	8,178.8	(0.5)	(2.2)	(3.9)	(8.2)
HSI	24,523.6	(0.5)	(2.2)	(4.1)	(4.3)
JCI	6,121.7	(0.4)	(2.5)	(6.2)	(29.2)
KLCI	1,644.0	(1.6)	(2.3)	(4.7)	(2.2)
KOSPI	6,870.8	(0.3)	(0.3)	0.7	63.0
Nikkei 225	65,481.3	(0.6)	2.1	(1.3)	30.1
SET	1,594.3	(0.5)	(0.6)	(0.1)	26.6
TWSE	47,632.0	(0.8)	1.0	3.3	64.5
BDI	3,178	(2.8)	(7.4)	(0.3)	69.3
CPO (RM/mt)	4,474	0.0	(2.9)	(2.9)	13.8
Brent Crude (US\$/bbl)	103	(2.6)	3.4	14.9	68.6

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
New Economy Conference at The Ritz Carlton Hotel	Malaysia	07 Oct	07 Oct
NDR with Food Empire Holdings Ltd (FEH SP)	Malaysia	08 Oct	08 Oct
Small & Mid-Caps Corporate Day	Singapore	21 Oct	21 Oct

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Malaysia PMI Manufacturing	Malaysia	01 Oct
Foreign Reserves	Malaysia	07 Oct
Industrial Production	Malaysia	09 Oct
Manufacturing Sales	Malaysia	09 Oct

Top Stories

Company Results | Gamuda (GAM MK/BUY/RM4.98/Target: RM6.26)

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- Gamuda ended FY26 with an impressive earnings delivery, mainly attributed to a higher domestic project mix and progress billings within the construction segment. Orderbook replenishments of RM35b exceeded management's initial FY26 guidance, anchoring earnings visibility through to FY27-28. We remain optimistic that the group's visionary strategies are forming the foundations for a record year in FY27-29. Maintain BUY with a higher target price of RM6.26.

Company Results | VS Industry (VSI MK/BUY/RM/Target: RM0.35)

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- VS' FY26 results came in within our expectations. 4QFY26 marked a turning point, with revenue up 24% qoq on higher orders and earnings back in the black, excluding impairments. With customer orders picking up steadily ahead of the year-end festive season, and the Philippines' operations turning around, the momentum is expected to carry into 1QFY27. At 8.7x FY27F PE and 0.4x P/B, below MCO troughs, valuations are compelling. Maintain BUY with a higher target price of RM0.35.

Company Results | Yinson Holdings (YNS MK/BUY/RM2.15/Target: RM2.40)

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- 1HFY27 core profit is deemed in line, narrowing losses from the non-FPSO divisions and accelerated loan repayments are the bigger picture for Yinson, as long as it maintains its execution. We see a high likelihood of the company securing up to two new FPSOs. This is corroborated by a second crude tanker purchase by Yinson in Aug 26. Management guided no additional funding is necessary to support two projects (at combined capex of US\$3.6b). Maintain BUY; target price: RM2.40.

Market Spotlight

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- The FBMKLCI continued to fall by 26.06pt to close at 1,643.96 yesterday on profit-taking in index-linked counters as well as weaker sentiment across the board.
- US stocks were lower after the close on Tuesday, as losses in the telecommunications, oil & gas and consumer goods sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKL Index Outlook	Page 13 →
Traders' Corner	Page 15 →
Insights Analytics IAB MK Trading Buy Range: RM1.34-1.35	Page 15 →
RCE Capital RCE MK Trading Buy Range: RM1.01-1.02	Page 15 →
Oriental Kopi Holdings KOPI MK Trading Buy Range: RM0.965-0.97	Page 16 →

Gamuda (GAM MK)

4QFY26: Setting The Foundations For A Strong FY27

Highlights

- **Matching expectations** (100% and 101% of our and consensus expectations).
- **Excellent FY27-28 earnings visibility**, backed by enhanced property launches and better S-curve recognition of construction billings.
- **Maintain BUY with a higher target price of RM6.26 (from RM5.25)**, as we roll over valuations to FY28. Our target price implies 21x FY28F PE (five-year mean).

4QFY26 Results

Year to 31 Jul (RMm)	4QFY26 (RMm)	qoq chg (%)	yoy chg (%)	FY26 (RMm)	yoy chg (%)
Revenue	5,757.0	29.8	18.9	18,333.0	14.8
Engineering & Construction	4,917.5	26.4	26.9	14,860.0	19.8
Property Development & Club Operations	839.5	54.2	(13.1)	3,473.0	(2.6)
EBIT	545.5	31.6	8.8	1,643.9	22.9
Engineering & Construction	293.8	6.8	(3.5)	1,001.3	25.4
Property Development & Club Operations	251.8	80.6	27.8	642.6	19.3
PBT	497.0	27.9	0.8	1,462.6	12.2
PATAMI	349.7	35.6	5.3	1,052.3	4.9
Core PATAMI	349.6	36.5	7.9	1,047.6	6.7
Margins	%	+/- ppt	+/- ppt	%	+/- ppt
EBIT - Construction	6.0	-1.1	-1.9	6.7	0.3
EBIT - Prop Dev	30.0	4.4	9.6	18.5	3.4
PBT	8.6	-0.1	-1.5	8.0	-0.2
Core PATAMI	6.1	0.3	-0.6	5.7	-0.4

Source: Gamuda, UOB Kay Hian

Analysis

- **Results within expectations.** Gamuda reported 4QFY26 core net profit of RM350m (+36.5% qoq, +7.9% yoy) on revenue of RM5.8b (+29.8% qoq, +18.9% yoy). FY26 earnings came in at 100% and 101% of our and consensus full-year estimates, which is deemed within expectations.

Key Financials

Year to 31 Jul (RMm)	2025	2026F	2027F	2028F	2029F
Net turnover	15,970.2	18,333.0	24,411.5	30,496.6	35,420.7
EBITDA	1,536.0	1,845.9	2,315.1	2,795.5	3,058.3
Operating profit	1,337.2	1,643.9	2,122.7	2,598.1	2,857.2
Net profit (rep./act.)	1,003.2	1,052.3	1,406.9	1,758.3	1,941.6
Net profit (adj.)	981.4	1,047.6	1,406.9	1,758.3	1,941.6
EPS	17.7	18.9	23.7	29.7	32.7
PE (x)	24.0	26.3	21.0	16.8	15.2
P/B (x)	2.0	2.1	2.2	2.1	2.0
EV/EBITDA (x)	10.3	21.5	17.1	14.2	13.0
Dividend yield (%)	2.4	2.4	3.0	3.6	4.0
Net margin (%)	6.3	5.7	5.8	5.8	5.5
Net debt/(cash) to equity (%)	57.2	78.7	69.8	71.6	73.7
Interest cover (x)	8.6	8.6	8.3	9.7	10.1
ROE (%)	10.0	8.5	10.8	12.8	13.5
Consensus net profit	n.a.	-	1,361.8	1,780.4	2,036.7
UOBKH/Consensus (x)	n.a.	-	1.0	1.0	1.0

Source: Gamuda, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	RM4.98
Target Price	RM6.26
Upside	25.7%
Previous TP	RM5.25

Stock Data

GICS sector	Industrials
Bloomberg ticker	GAM MK
Shares issued (m)	6,049.8
Market cap (RM\$m)	30,128.1
Market cap (US\$m)	7,380.7
3-mth avg daily t'over (US\$m)	15.1

Price Performance (%)

52-week high/low			RM5.63/RM3.70	
1mth	3mth	6mth	1yr	YTD
10.4	14.0	32.8	(9.8)	0.0

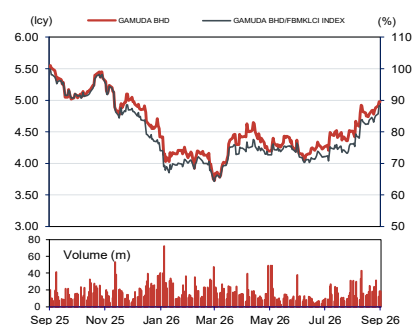
Major Shareholders (%)

Employees Provident Fund Board	22.34
Public Mutual Bhd	5.81
Vanguard Group	4.93

Balance Sheet Metrics

FY27 NAV/Share (RM)	2.25
FY27 Net Debt/Share (RM)	1.57

Price Chart



Source: Bloomberg

Company Description

Gamuda is a civil engineering construction company with exposure to property development and water concessions.

- **Construction and engineering segment: Domestic contracts taking lead, lifting margins.** In FY26, the construction and engineering division charted an EBIT of RM1b (+25% yoy) in tandem with a stronger revenue of RM14.9b (+20% yoy). The resilient top-line performance was driven by better progress billings from domestic projects, offsetting flattish overseas contribution (>90% construction at early stages). Notably, EBIT margin also improved to 6.7% (+0.3ppt yoy) as domestic projects which command higher profitability margin made up 40% of construction revenue (FY25:32%).
- **Property segment: Weaker yoy on lower Malaysia sales and delay in Hanoi's project launches.** In FY26, Gamuda's property segment charted a revenue of RM3.5b (-3% yoy) and lower net profit of RM311m (-18% yoy). The top-line decline was due to moderating Malaysia sales, but partially buffered by Vietnam quick turnaround projects (QTP). FY26 property sales of RM3.18b achieved 80% of management's initial FY26 target of RM4b, held back by the delay in Hanoi's launches. Current unbilled sales are about RM7.6b.
- **Focus on FY27-29's record earnings, buoyed by construction orderbook visibility...** Following an impressive RM35b orderbook replenishment in FY26 (FY25: RM25b), Gamuda's outstanding construction orderbook is at a record-high of RM61b (FY25: RM38b). About 74% of these orderbooks are in early-stage execution (>90% yet to reach peak execution), and will begin to chart accelerated progress billings in FY27-29. Management also guided another RM35b orderbook replenishment target in FY27, which we deem achievable based on key projects including: a) Penang-Perak Water Infrastructure (~RM4b); b) data centres (RM1.5-2.0b each; potentially 3-4 more); c) Gamuda Engineering Australia's active tender (~A\$15b); and d) drawdown from Taiwan's Xizhi-Donghu MRT (~NT\$60b/RM8b).
- **...and strong Gamuda Land sales target.** Moreover, management also guided an enhanced sales target of RM7b for Gamuda Land (FY26: RM3.2b), largely augmented by better contributions from Vietnam's QTPs (Springville, Eaton Park, Artisan Park, Elysian, Gamuda City Hai Phon) and Singapore's Chencharu project. Overall, Vietnam and Singapore projects are expected to contribute about 75% of FY27's property sales.
- **Secured a large-scale solar and BESS project in Perak...** To note, Gamuda just secured a 680MWac, 21-year renewable energy offtake for a hybrid solar + four-hour battery energy storage system (BESS) project in Perak. This project is the largest solar project in Malaysia to date, with project revenue expected to exceed RM10b. Gamuda has a 33% stake alongside SD Guthrie and Gentari, and will fully undertake the engineering, procurement and construction contract which will be awarded in FY27.
- **...which adds to group's sizeable portfolio of renewable energy and recurring income assets.** Gamuda currently has six energy and water projects across Malaysia and Australia with over 6GW capacity, including: a) the Ulu Padas Hydro and floating solar project, b) grid-connected BESS, c) Tasmania wind and solar projects, d) the Hazelwood North solar and BESS project, e) the Northern Perak water project, and f) a CRESS hybrid solar and BESS project in Perak. We assess that these projects will contribute over RM150m-200m recurring revenue upon completion in 2029-30.

Valuation/Recommendation

- **Maintain BUY with a higher SOTP-based target price of RM6.26 (from RM5.25),** as we roll over our valuations to FY28. Our target price implies 21x FY28F PE (five-year mean).

Earnings Revision/Risk

- **We raised FY27-28 earnings by 4% and 5% respectively,** to reflect higher-than-expected orderbook replenishments. We also introduced FY29 earnings.

Orderbook as of (4QFY26)

Projects	Value (RMb)	Progress (%)
Malaysia:		
Penang Mutiara Line (60% share)	5.3	16
Silicon Island Phase 1	4.3	24
Rasau WTP Phase 1	0.9	57
Data Center Projects	8.8	23
Ulu Padas Hydro Dam (75% share)	1.7	30
Ulu Padas Water Supply (75% share)	4.3	10
Others	1.0	65
Australia:		
GEA SMW Stations (100% share)	5.5	13
GEA Parramatta ISD (80% share)	2.0	0
GEA Mortlake Energy Hub Stage 1 (100% share)	2.3	0
GEA various Projects	1.5	59
DTI Signaling (46%)	1.9	11
DTI Renewable Energy (100%)	7.5	28
DTI various projects	1.8	85
Taiwan:		
Tao Yuan underground (60% share)	1.0	23
Kaoshiung MRT YC01 (88% share)	2.7	7
Kaoshiung MRT RLC02 (70% share)	2.2	0
Xizhi Donghu MRT (75% share)	2.4	22
Marine Structure (70% share)	2.1	16
Others	0.3	70
Singapore:		
Defu station (60% share)	0.3	65
West Coast Station (100% share)	1.4	23
Total Orderbook	61.2	

Source: Gamuda, UOB Kay Hian

Segmental Forecasts

	FY26	FY27F	FY28F
Total Revenue (RMb)	18.61	24.41	30.50
Engineering & Construction	14.9	19.6	23.8
Property Dev & Club	3.7	4.7	6.6
Water Concession	0.0	0.1	0.1
Total EBIT (RMb)	1.64	2.12	2.60
Engineering & Construction	1.00	1.45	1.75
Property Dev & Club	0.64	0.59	0.76
Water Concession	0.00	0.08	0.08

Source: Gamuda, UOB Kay Hian

SOTP Valuation

	RMm	Remarks
Construction	34,126	24x FY28 PE
Property	11,233	10% discount to RNAV
Water concession	1,799	
Less Net Debt	(10,043)	
Total SOTP Value	37,115	
Diluted No. of Shares (m)	5,930	
Target Price (RM)	6.26	

Source: Gamuda, UOB Kay Hian

Environmental, Social, Governance (ESG) Updates

Environmental

- Commits to reducing 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.

Profit & Loss

Year to 31 Jul (RMm)	2026	2027F	2028F	2029F
Net turnover	18,333	24,411	30,497	35,421
EBITDA	1,846	2,315	2,796	3,058
Deprec. & amort.	202	192	197	201
EBIT	1,644	2,123	2,598	2,857
Associate contributions	34	36	38	40
Net interest income/(expense)	(216)	(280)	(288)	(304)
Pre-tax profit	1,463	1,879	2,348	2,593
Tax	(367)	(413)	(517)	(570)
Minorities	(44)	(58)	(73)	(81)
Net profit	1,052	1,407	1,758	1,942
Net profit (adj.)	1,048	1,407	1,758	1,942

Cash Flow

Year to 31 Jul (RMm)	2026	2027F	2028F	2029F
Operating	(322)	2,919	1,555	1,559
Pre-tax profit	1,463	1,879	2,348	2,593
Tax	(367)	(413)	(517)	(570)
Deprec. & amort.	202	192	197	201
Associates	(34)	(36)	(38)	(40)
Working capital changes	(1,545)	1,298	(436)	(625)
Other operating cashflows	(41)	0	0	0
Investing	(3,401)	(1,223)	(1,225)	(1,227)
Capex (growth)	(1,751)	(223)	(225)	(227)
Proceeds from sale of assets	2,860	2,896	2,933	2,973
Others	(4,524)	(3,896)	(3,933)	(3,973)
Financing	3,389	(914)	(710)	(580)
Dividend payments	(268)	(890)	(1,067)	(1,186)
Issue of shares	0	0	0	0
Proceeds from borrowings	4,103	(25)	357	606
Others/interest paid	(446)	0	0	0
Net cash inflow (outflow)	(334)	782	(380)	(248)
Beginning cash & cash equivalent	3,260	4,031	4,813	4,433
Changes due to forex impact	(26)	0	0	0
Ending cash & cash equivalent	2,901	4,813	4,433	4,185

Balance Sheet

Year to 31 Jul (RMm)	2026	2027F	2028F	2029F
Fixed assets	6,945	9,038	10,085	10,133
Other LT assets	6,571	6,597	6,615	6,633
Cash/ST investment	4,031	4,813	4,433	4,185
Other current assets	19,355	21,612	25,167	28,363
Total assets	36,901	42,060	46,300	49,313
ST debt	6,341	2,824	2,895	3,016
Other current liabilities	9,122	12,570	15,614	18,145
LT debt	7,785	11,295	11,581	12,066
Other LT liabilities	659	765	840	880
Shareholders' equity	12,823	13,340	14,031	14,787
Minority interest	173	231	304	385
Total liabilities & equity	36,901	41,026	45,265	49,279

Key Metrics

Year to 31 Jul (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	10.1	9.5	9.2	8.6
Pre-tax margin	8.0	7.7	7.7	7.3
Net margin	5.7	5.8	5.8	5.5
ROA	3.1	3.6	4.0	4.1
ROE	8.5	10.8	12.8	13.5
Growth				
Turnover	14.8	33.2	24.9	16.1
EBITDA	20.2	25.4	20.8	9.4
Pre-tax profit	12.2	28.5	25.0	10.4
Net profit	4.9	33.7	25.0	10.4
Net profit (adj.)	6.7	34.3	25.0	10.4
EPS	6.7	25.4	25.0	10.4
Leverage				
Debt to total capital	52.1	51.0	50.2	49.9
Debt to equity	110.2	105.8	103.2	102.0
Net debt/(cash) to equity	78.7	69.8	71.6	73.7
Interest cover	8.6	8.3	9.7	10.1

VS Industry (VSI MK)

4QFY26: Turning The Corner; Deep Value Beckons

Highlights

- 4QFY26 marked a return to profitability, supported by stronger volume ramp-up across its customer base and narrowing losses from loss-making divisions. We expect the recovery to gain further traction in FY27, underpinned by improving utilisation, new model launches and a steady recovery in customer orders.
- VS trades at just 8.7x FY27F PE (-1SD below historical mean) and 0.4x FY27F P/B (-2SD), well below the trough valuations seen during the MCO period (0.83-0.88x P/B), suggesting limited downside with asymmetrical upside potential.
- Maintain BUY with a higher target price of RM0.35. Key re-rating catalysts include further order normalisation, improving capacity utilisation, sustained earnings recovery, and potential new customer wins.

4QFY26 Results

Year to 31 Jul (RMm)	4QFY26	qoq%	yoy%	FY26	yoy%
Sales	998.6	24.2	16.3	3,650.8	(3.6)
Gross Profit	30.7	458.3	n.a.	115.9	(49.9)
EBIT	(13.0)	62.2	49.6	(22.7)	(123.8)
PBT	(18.3)	48.3	40.2	(32.9)	(143.9)
Net Profit	(22.0)	33.3	33.5	(53.8)	(246.6)
Core Net Profit	21.4	165.0	216.1	(16.6)	(132.3)
Sales Breakdown					
Malaysia	775.8	45.2	3.6	3,016.9	5.7
Indonesia	85.7	38.0	13.3	344.9	9.9
PBT					
Malaysia	(14.5)	(50.2)	13.0	(1.5)	(101.6)
Indonesia	2.6	(341.5)	8.0	3.1	178.1

Source: VS, UOB Kay Hian

Analysis

- Within expectations.** VS Industry (VS) reported a 4QFY26 core net profit of RM21.4m (3QFY26: -RM32.9m; 4QFY25: -RM18.4m), which narrowed its FY26 core net loss to RM16.6m (9MFY26: -RM38.0). The results are broadly in line with our expectations but above consensus core net loss estimates of RM32.0m.

Key Financials

Year to 31 Jul (RMm)	2025	2026	2027F	2028F	2029F
Net turnover	3,788	3,651	4,003	4,562	4,772
EBITDA	223	119	281	318	333
Operating profit	96	(23)	156	188	201
Net profit (rep./act.)	37	(54)	106	130	140
Net profit (adj.)	51	(17)	106	130	140
EPS (sen)	1	(1)	3	3	4
PE (x)	18.0	(55.8)	8.7	7.1	6.6
P/B (x)	0.4	0.4	0.4	0.4	0.4
EV/EBITDA (x)	3.8	7.4	3.9	3.7	3.4
Dividend yield (%)	3.4	1.7	3.4	4.2	4.5
Net margin (%)	1.0	(1.5)	2.6	2.9	2.9
Net debt/(cash) to equity (%)	(6.1)	(5.1)	(5.1)	(5.1)	(5.1)
Interest cover (x)	11.4	8.8	16.7	18.9	19.8
ROE (%)	1.7	(2.6)	4.9	5.9	6.2
Consensus net profit			70.8	100.5	-
UOBKH/Consensus (x)			1.5	1.3	-

Source: VS, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	RM0.235
Target Price	RM0.35
Upside	+48.9%
Previous TP	RM0.34

Stock Data

Sector	Information Technology
Bloomberg ticker	VSI MK
Shares issued (m)	3,854.5
Market cap (RMm)	905.8
Market cap (US\$m)	221.9
3-mth avg daily t'over (US\$m)	2.1

Price Performance (%)

52-week high/low				RM0.66/RM0.17
1mth	3mth	6mth	1yr	YTD
4.4	20.5	0.0	(59.5)	(51.5)

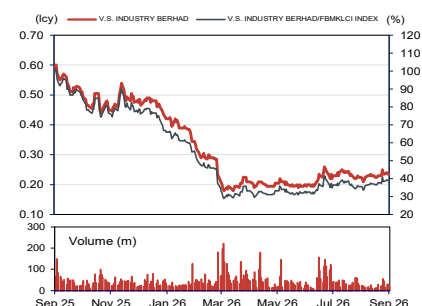
Major Shareholders (%)

Beh Hwee Sze	7.4
Beh Hwee Lee	7.4
Aberdeen	7.2

Balance Sheet Metrics

2027 NAV/Share (RM)	0.57
2027 Net Debt/Share (RM)	0.02

Price Chart



Source: Bloomberg

Company Description

VS Industry is involved in the manufacturing of plastic parts and components, contract manufacturing, precision mould making, the sub-assembly of electronic and electrical equipment and other secondary processes. It has plants in Malaysia, China, and Indonesia.

- **FY26 revenue fell 4% yoy to RM3.7b** due to softer loadings from key customers amid subdued consumer sentiments. Stripping out RM32.9m of exceptional items (EI), VS recorded a core net loss of RM16.6m, dragged by operational losses from both Malaysia and the Philippines alongside cost-down initiatives from key customers.
- **Qoq recovery in 4QFY26.** Revenue rose 24% qoq on higher loadings in both Malaysia and the Philippines. Excluding impairments, VS returned to the black with a core net profit of RM21.4m, partly supported by pre-festive inventory build-up and replenishment following weak order flow in the previous quarter.
- **Indonesia profitable; Philippines turning the corner.** Indonesia remained profitable, with FY26 pre-tax profit more than doubling to RM3.1m (FY25: RM1.1m), as higher orders from existing customers backfilled the exit of a key PCBA customer. The Philippines is nearing an inflection point, with quarterly pre-tax loss narrowing to RM3.0m in 4QFY26 from RM7.0m in 3QFY26 as utilisation improved on additional models entered production. We understand that the Philippines plant reached breakeven in Aug 26. The commencement of third production line alongside a programme reportedly transferred from a competitor should provide further utilisation upside in FY27.
- **Orders picking up into 1QFY27.** Management is seeing a steady recovery in customer orders ahead of the year-end festive season and expects the momentum to continue into the coming quarter. Key customers are also scheduled to launch new models in FY27, which should support further loadings.
- **Diversification provides further re-rating potential.** VS continues to explore new opportunities beyond its core consumer electronics to broaden its customer mix, with new customer discussions underway. Its established manufacturing capabilities, technical know-how, spare capacity and ability to scale production should support the securing of new programmes, particularly as customers diversify their manufacturing footprint. Successful conversion of these opportunities could provide an additional catalyst for earnings growth and a potential re-rating.

Earnings Revision/Risk

- Post model updates, we raised our FY27-28 earnings forecasts by 4-5% for housekeeping purposes.

Valuation/Recommendation

- Maintain BUY with a slightly higher target price of RM0.35 (from RM0.34), based on an unchanged 12x 2027F PE (which is -0.5SD to the 10-year mean).

Environmental, Social, Governance (ESG) Updates

Environmental

- VS has been certified with the ISO 14001:2015 Environment Management System for assembly services for mechanical and electrical products.

Social

- VS held an In-House Vaccination Programme in Aug 21 and achieved a 99.8% vaccination record for the entire workforce.
- It is proactively engaging with migrant worker rights specialists and independent auditors to improve the welfare of migrant workers in Malaysia.

Governance

- The company has in place an Anti-Corruption Framework which fulfils the requirements in the Guidelines on Adequate Procedures to Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009.

Sales Assumption

(RMm)	FY26	FY27F	FY28F	FY29F
Sales	3,651	4,003	4,562	4,772
Key Customer	2,390	2,523	2,925	3,071
Customer Z	187	206	227	249
China	40	72	72	72
Indonesia	220	330	330	330
New Key Customers	300	500	600	600
Others	514	372	409	450
Core Net Margin	-0.5%	2.6%	2.9%	2.9%

Source: VS, UOB Kay Hian

Profit & Loss

Year to 31 Jul (RMm)	2026	2027F	2028F	2029F
Net turnover	3,651	4,003	4,562	4,772
EBITDA	119	281	318	333
Deprec. & amort.	142	126	130	132
EBIT	(23)	156	188	201
Associates	3	3	3	3
Net interest income/(expense)	(13)	(17)	(17)	(17)
Pre-tax profit	(33)	141	174	187
Tax	(22)	(37)	(46)	(49)
Minorities	1	2	2	2
Net profit	(54)	106	130	140
Net profit (adj.)	(17)	106	130	140

Cash Flow

Year to 31 Jul (RMm)	2026	2027F	2028F	2029F
Operating	207	(19)	148	244
Pre-tax profit	(33)	141	174	187
Tax	(18)	(37)	(46)	(49)
Deprec. & amort.	142	126	130	132
Working capital changes	54	(293)	(154)	(69)
Non-cash items	38	38	38	38
Other operating cashflows	25	6	6	6
Investing	(159)	(150)	(150)	(150)
Capex (growth)	(163)	(150)	(150)	(150)
Investments	(2)	0	0	0
Proceeds from sale of assets	6	0	0	0
Others	0	0	0	0
Financing	(235)	(68)	(75)	(78)
Dividend payments	(15)	(32)	(39)	(42)
Issue of shares	0	1	0	0
Proceeds from borrowings	0	0	0	0
Loan repayment	(198)	(15)	(15)	(15)
Others/interest paid	(21)	(21)	(21)	(21)
Net cash inflow (outflow)	(186)	(237)	(77)	16
Beginning cash & cash equivalent	859	663	426	349
Changes due to forex impact	(14)	0	0	0
Ending cash & cash equivalent	659	426	349	365

Balance Sheet

Year to 31 Jul (RMm)	2026	2027F	2028F	2029F
Fixed assets	930	955	975	993
Other LT assets	294	296	299	301
Cash/ST investment	663	435	366	391
Other current assets	1,786	1,919	2,160	2,250
Total assets	3,673	3,605	3,800	3,936
ST debt	310	310	310	310
Other current liabilities	930	789	895	934
LT debt	311	311	311	311
Other LT liabilities	61	61	61	61
Shareholders' equity	2,062	2,137	2,228	2,326
Minority interest	(2)	(3)	(5)	(7)
Total liabilities & equity	3,673	3,605	3,800	3,936

Key Metric

Year to 31 Jul (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	3.3	7.0	7.0	7.0
Pre-tax margin	(0.9)	3.5	3.8	3.9
Net margin	(1.5)	2.6	2.9	2.9
ROA	(1.5)	2.9	3.5	3.7
ROE	(2.6)	4.9	5.9	6.2
Growth				
Turnover	(5.1)	7.9	28.6	36.4
EBITDA	(65.3)	36.9	60.1	69.3
Pre-tax profit	(201.5)	123.9	185.0	208.8
Net profit	(345.3)	264.1	357.1	393.3
Net profit (adj.)	(132.3)	539.6	23.0	7.3
EPS	(185.2)	149.1	215.6	241.5
Leverage				
Debt to total capital	30.1	29.1	27.9	26.8
Debt to equity	30.1	29.1	27.9	26.7
Net debt/(cash) to equity	(0.0)	8.7	11.4	9.9
Interest cover	8.8	16.7	18.9	19.8

Yinson Holdings (YNS MK)

1HFY27: Superior Execution To Support Deleveraging

Highlights

- **1HFY27 core profit is deemed in line**, assuming the enterprise reporting (ER) version is similar to its reported number. 1HFY27 results are cleaner, unlike FY26 whereby Yinson Holdings (Yinson) benefitted from large lumpy gains in FPSO Agogo's early progress milestone. However, we observed narrowing losses from the non-FPSO divisions and accelerated loan repayments are the bigger picture for Yinson, as long as it maintains its superior execution.
- Maintain BUY with a target price of RM2.40, as we see a high likelihood of the company securing up to two new FPSOs in Indonesia and Brazil. This is corroborated by a second crude tanker purchase by Yinson in Aug 26. Management guided no additional funding is necessary.

1HFY27 Results*

Year to 31 Jan	2QFY27 (RMm)	qoq % chg	yoy % chg	1HFY27 (RMm)	yoy % chg	Comments, and 2QFY27 vs 1HFY27 comparison
Revenue	1,136	8.3	(16.7)	2,185	(15.8)	FPSO (IFRS) EBITDA: RM656m/RM1,273m
EBIT	575	9.9	(10.2)	1,098	(11.2)	FPSO (ER) EBITDA: RM840m/RM1,651m
EBIT margin (%)	50.6%	0.8%	3.7%	50.3%	2.6%	Core ER EBITDA: RM840m/RM1,626m vs RM1.09b yoy
Finance costs	(426)	19.0	(20.5)	(784)	(11.5)	Non-FPSO, RM52m/RM106m
Associates	84	64.7	50.0	135	12.5	Higher recognition of EPCIC works
Pre-tax profit	233	7.9	45.6	449	26.5	Non-FPSO loss before tax, RM56m/ RM124m
Reported profit	128	6.7	26.7	248	(22.5)	EBITDA yoy growth, IFRS/ Core ER: -3%/ +53%
Core profit	172	56.4	31.3	282	(2.8)	2QFY27 EI RM6m net forex gain, RM6m fair value gain

* Exceptional item (EI); Enterprise Reporting (ER) effective FY25; Yinson Production (YP); Yinson; International Financial Reporting Standards (IFRS); The US\$/RM rates for 2QFY27 and 1QFY27 were 4.0 and 3.9 respectively
Source: Yinson, YP, UOB Kay Hian

Analysis

- **1HFY27 deemed in line, at potentially 43% of our/consensus forecasts.** Yinson Production (YP) is expected to publish its 2QFY27 ER results and investor presentation by 14 Oct 26, and hence we assume at this juncture that 2QFY27 core profit under the ER version almost matches the IFRS core profit of RM128m. As a recap in FY26, Yinson benefitted significantly from RM554m in early bonus/progress milestone payments for FPSO Agogo (1HFY27: RM25m). 2QFY27 finance costs contained some one-off charges of RM40m that relate to early loan repayments. We treated these as EI.

Key Financials

Year to 31 Jan (RMm)	2025	2026	2027F	2028F	2029F
Net turnover	7,605	5,375	4,295	4,710	4,781
EBITDA	2,052	3,189	3,477	3,568	3,645
Operating profit	1,675	2,812	3,032	3,086	3,198
Net profit (rep./act.)	1,075	771	642	665	759
Net profit (adj.)	510	899	642	665	759
EPS (x)	12.9	7.3	10.2	9.9	8.7
PE (x)	14.4	8.2	11.5	11.1	9.7
P/B (x)	1.3	1.5	1.4	1.4	1.3
EV/EBITDA (x)	9.9	6.4	6.2	6.6	7.1
Dividend yield (%)	1.6	2.6	2.6	2.6	2.6
Net margin (%)	14.1	14.3	14.9	14.1	15.9
Net debt/(cash) to equity (%)	176.4	150.1	159.8	176.4	191.5
Consensus net profit			654	510	759
UOBKH/Consensus (x)	-	-	0.98	1.31	1.00

Source: Yinson, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	RM2.15
Target Price	RM2.40
Upside	+11.6%

Stock Data

Sector	Energy
Bloomberg ticker	YNS MK
Shares issued (m)	2,920
Market cap (RMm)	6,283.0
Market cap (US\$m)	1,559.0
3-mth avg daily t'over (US\$m)	2.67

Price Performance (%)

52-week high/low			RM2.48/RM1.71	
1mth	3mth	6mth	1yr	YTD
0.0	(6.5)	(6.5)	(11.5)	(8.9)

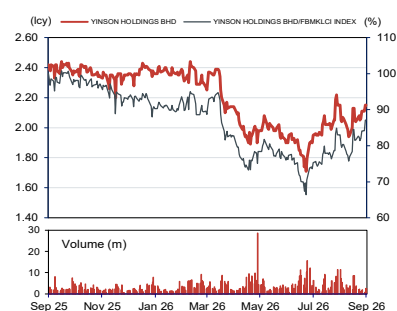
Major Shareholders (%)

Yinson Legacy	16.6
EPF	17.1

Balance Sheet Metrics

FY27 NAV/Share (RM)	1.50
FY27 Net Debt/Share (RM)	0.05

Price Chart



Source: Bloomberg

Company Description

One of the largest global floating, production, storage and offloading (FPSO) operators. It has engineering, construction, procurement, installation and commissioning (EPCIC) capabilities, and may record EPCIC income under finance lease (FL) method, as dictated by the International Financial Accounting Standards (IFRS). It also holds an associate stake in Offshore Support Vessels (OSV)

Lately, its FPSO subsidiary Yinson Production (YP), has begun adopting Enterprise Reporting (ER), as a complementary disclosure to the statutory IFRS reporting. Under ER, YP adopted operating lease method and applied proportional consolidation based on YP's share in assets.

- **Growth of adjusted ER EBITDA consistent with that of operating cash flow.** Our addendum note to Yinson's 1QFY27 results revealed YP's ER quarterly profit base (before adjusting for EI) was below US\$10m since end-FY26, as they now reflect higher financing/depreciation costs, and operating cost structure after adjusting for FPSO Agogo's inventory costs and cost of tendering for projects. However, we believe assessment of Yinson's 2QFY27 execution is more meaningful, if we account for lower non-O&G losses qoq and early loan repayments. Operating cash flow shows a remarkable turnaround of +741% yoy from a RM184m loss to RM1,179m (2QFY27: RM542m), enabling a continuous enhancement on its debt repayment profile.
- **Debt amortisation enhancement continues.** With the funding structures in place, YP guided that the short-term repayments for FY27/FY28 horizon are not material and can be easily covered by cash flow generation from the largest FPSO (FPSO Agogo) alone, which is capable of generating EBITDA of US\$200m-250m p.a.. This dwarfs even the EBITDA generation of the Brazil FPSOs AN and MQ (US\$175m-225m each) and FPSO John Agyekum Kufuor (US\$120m-160m).
- In addition, under Yinson's RM1b Sustainability-Linked Sukuk Wakalah Programme, it had made early redemption and subsequent cancellation of RM30m and RM100m respectively. The remaining RM878m value carries a 5.6% interest rate and will mature in Dec 26. This is one of the major portions in Yinson's short-term borrowings of RM2.2b as of Jul 26.
- **Potentially high likelihood of securing up to two new FPSOs.** As per upstream articles, Yinson is a frontrunner for the Tangkulo FPSO (Indonesia) and Albacora (Brazil). Energy Maritime Associates, a well-followed FPSO consultant, estimates capex of US\$1.3b and US\$2.3b for Tangkulo and Albacora respectively. The latter is also Yinson's bidding price offered to Petrobras, making it the lowest bidder in the list. We think the likelihood of securing two new FPSOs is high, as Yinson in Aug 26 procured a second crude tanker from Navigold Maritime for US\$97m.

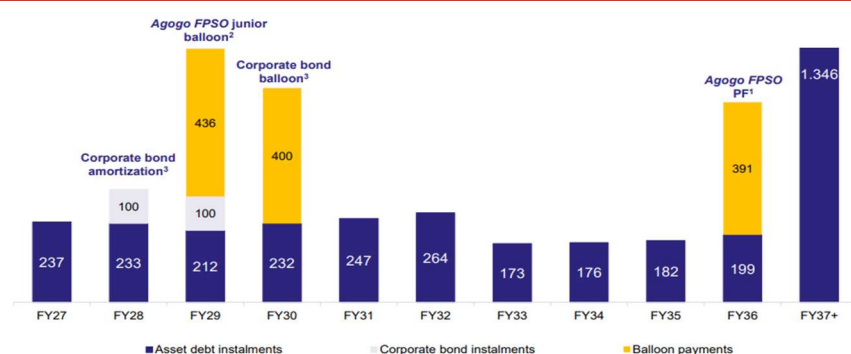
Valuation/Recommendation

- **Maintain BUY, with an SOTP-based target price of RM2.40.** Our SOTP valuation implies 13x FY27F PE, which we had adjusted in our previous company update note for a higher debt assumption, which also factors in a higher operating cost environment while FPSO capex funding remains challenging. We also retain key operational assumptions like: a) a 10% discount on the Brazil FPSOs (MQ and AN), b) zero value for energy transition/non-O&G operations, and c) potential 15% divestment of FPSO Agogo. We do not factor potential from new projects into our SOTP for now, as the privatisation deal remains in discussion.

Earnings Revision/Risk

- Maintain forecasts, pending ER disclosure by mid-Oct 26.

Debt Amortisation Profile (YP Level Only)



Source: YP 1QFY27 Investor Presentation

SOTP Target Price (at RM4.00 US\$/RM)

FY26F	Valuation	RM
FPSO Adoon	DCF (Blended IRR 12%)	0.07
FPSO JAK, firm only	DCF (IRR 14%, 74% stake)	0.71
FPO Helang, firm	DCF, US\$280m capex + US\$50m residual value	0.67
FPSO Abigail-Joseph (AJ)	DCF (IRR 25%)	0.35
MOPU	11x PE	0.02
Lam Son	redeployment	0.14
FPSOs Anna Nery & PDB	DCF (IRR 17%, both assume 63-85% stake), apply 10% discount	2.37
FPSO Agogo	DCF (IRR 20%, 85% stake from 100%)	1.50
Atlanta & New FPSOs	Include chance of more contract wins	0.64
(-) Minus Net Debt	Include all perpetuals	(4.12)
SOTP (diluted)	RM3.4b shares	2.40
Implied FY27F PE	-	12.8x
Implied FY28F PE	-	12.4x

Source: UOB Kay Hian

Environmental, Social, Governance (ESG) Updates

Environmental

- **Advanced in carbon (CO₂) reduction.** Outlined climate goals roadmap to reach carbon-neutrality and net-zero carbon by 2030
- **Advanced in non-O&G diversification.** Targets 5GW of operating portfolios of renewable energy capacities by 2035
- **Safety (HSE).** Lost Time Injury Frequency of 0.13 in FY25 (FY24: 0.05), superior to industry benchmark of 0.24-0.28

Social

- Ranked top for active stakeholder engagements with bankers/clients/ investors

Governance

- Most advanced in self-monitoring and reporting of its environmental contribution
- 50% of its board members are independent despite having family representation

Profit & Loss

Year to 31 Jan (RMm)	2026	2027F	2028F	2029F
Net turnover	5,375	4,295	4,710	4,781
EBITDA	3,189	3,477	3,568	3,645
Deprec. & amort.	377	445	482	447
EBIT	2,812	3,032	3,086	3,198
Total other non-operating income	-	0	0	0
Associate contributions	328	82	99	119
Net interest income/(expense)	(1,769)	(1,749)	(1,775)	(1,731)
Pre-tax profit	1,117	1,365	1,410	1,585
Tax	(276)	(440)	(468)	(542)
Minorities	(70)	(283)	(276)	(283)
Net profit	899	642	665	759

Cash Flow

Year to 31 Jan (RMm)	2026	2027F	2028F	2029F
Operating	(412)	(92)	510	610
Pre-tax profit	1,029	1,365	1,410	1,585
Tax	(237)	(440)	(468)	(542)
Deprec. & amort.	377	445	482	447
Associates	(328)	(82)	(99)	(119)
Working capital changes	(2,934)	(1,381)	(814)	(761)
Other operating cashflows	1,681	(0)	0	0
Investing	(1,298)	(500)	(500)	(500)
Capex (growth)	(2,040)	(500)	(500)	(500)
Investments	112	0	0	0
Others	630	0	0	0
Financing	4,440	456	(1,741)	(1,534)
Dividend payments	(140)	(171)	(171)	(171)
Issue of shares	2,080	0	0	0
Proceeds from borrowings	3,892	(3,986)	(1,680)	(4,476)
Loan repayment	(1,205)	4,500	0	3,000
Others/interest paid	(187)	113	111	113
Net cash inflow (outflow)	2,730	(136)	(1,731)	(1,424)
Beginning cash & cash equivalent	2,679	4,528	4,392	2,661
Changes due to forex impact	(881)	0	0	0
Ending cash & cash equivalent	4,528	4,392	2,661	1,237

Balance Sheet

Year to 31 Jan (RMm)	2026	2027F	2028F	2029F
Fixed assets	3,396	4,210	4,987	5,799
Other LT assets	16,847	16,947	16,947	16,947
Cash/ST investment	4,528	4,392	2,661	1,237
Other current assets	2,851	2,274	3,735	5,181
Total assets	29,182	29,194	29,769	30,615
ST debt	779	303	379	231
Other current liabilities	2,589	2,230	2,609	2,847
LT debt	15,433	16,829	16,613	16,951
Other LT liabilities	337	284	298	298
Shareholders' equity	8,988	9,176	9,387	9,692
Minority interest	259	372	483	596
Total equity and liabilities	29,182	29,194	29,769	30,615

Key Metric

Year to 31 Jan (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	59.3	81.0	75.7	76.2
Pre-tax margin	20.8	31.8	29.9	33.2
Net margin	14.3	14.9	14.1	15.9
ROA	3.5	2.9	3.0	3.3
ROE	11.6	9.6	9.8	10.9
Growth				
Turnover	49.0	19.1	30.6	32.5
EBITDA	212.3	240.6	249.5	257.0
Pre-tax profit	56.0	90.6	96.9	121.3
Net profit	92.2	60.1	65.9	89.3
Net profit (adj.)	92.2	60.1	65.9	89.3
EPS	92.2	60.1	65.9	89.3
Leverage				
Debt to total capital	194.9	199.6	194.8	192.4
Debt to equity	200.5	207.7	204.8	204.3
Net debt/(cash) to equity	150.1	159.8	176.4	191.5
Interest cover (x)	1.8	2.0	2.0	2.1

Market Spotlight

Market News

The FBMKLCI continued to fall by 26.06pt to close at 1,643.96 yesterday on profit-taking in index-linked counters as well as weaker sentiment across the board. Meanwhile, Asian stock markets fell broadly on Tuesday as surging bond yields and higher oil prices pressured risk appetite, while investors awaited the Reserve Bank of Australia's interest-rate decision later in the day, with markets expecting another increase. The FBMKLCI's top gainers were Gamuda (+1.4%), YTL Power International (+0.52%) and SD Guthrie (+0.33%), while the top losers were RHB Bank (-3.8%), Sunway Bhd (-3.3%) and Petronas Chemicals Group (-3.2%). In the broader market, losers outpaced gainers 684 to 412 with 556 counters unchanged. Turnover was 3.32b shares valued at RM2.96b.

US stocks were lower after the close on Tuesday, as losses in the telecommunications, oil & gas and consumer goods sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average fell 0.25%, while the S&P 500 Index declined 0.16%, and the NASDAQ Composite Index lost 0.09%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 1,527 to 1,174 and 101 ended unchanged; on the Nasdaq Stock Exchange, 2,011 fell and 1,367 advanced, while 216 ended unchanged. (*Sources: Investing.com*)

FBMKLCI, FCPO & FKLI Index Outlook

Analyst(s)

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FBMKLCI



Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close:	1,643.96
Expected moving range:	1,660-1,700

Technical View:

Based on the daily candlestick chart, the FBMKLCI continued to form lower highs and lower lows with the RSI registering a bearish crossover, which implies further weakness ahead. The index penetrated the previous immediate support and closed lower at 1,643.96 on yesterday's movement. This is also supported by bearish crossover in both MACD and DMI indicators. Support and resistance levels are revised as follows:

Support: 1,60, 1,630

Resistance: 1,700, 1,720

FCPO



Source: TradingView

Futures Crude Palm Oil (FCPO) Active Contract, 1 Hour Chart

Technical BUY with +5.1% potential return

Trading BUY range: RM4,650-4,700
Last price: RM4,643
Target price: RM4,809, RM4,878
Support: RM4,596
Stop-loss: RM4,594

BUY with a target price of RM4,878 and stop-loss at RM4,594. Based on the chart, FCPO continue the bullish movement and closed at RM4,643 yesterday. This bullish movement is supported by an uptick in RSI and bullish crossover in both MACD and DMI indicators. We still maintained our targets at RM4,809 and RM4,878 in the near term.

Expected timeframe: One day to three days

FKLI



Traders' Corner



Source: UOBKH ChartGenie

Analyst(s)

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Insights Analytics IAB MK

Technical BUY on breakout with +18.6% potential return

Trading BUY range:	RM1.34-1.35
Last price:	RM1.29
Target price:	RM1.52, RM1.59
Support:	RM1.23
Stop-loss:	RM1.24

BUY on breakout with a target price of RM1.59 and stop-loss at RM1.24. The chart shows the uptrend will remain intact if the stock penetrates above RM1.34. Currently, both the MACD and DMI indicators are showing positive signals that support the upward momentum. We expect the stock to continue to move towards the resistance of RM1.60 once it manage to penetrate above the breakout level of RM1.34.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

RCE Capital RCE MK

Technical BUY on breakout with +15.7% potential return

Trading BUY range:	RM1.01-1.02
Last price:	RM0.97
Target price:	RM1.09, RM1.14
Support:	RM0.935
Stop-loss:	RM0.935

BUY on breakout with a target price of RM0.655 and stop-loss at RM0.935. Yesterday, the stock closed above the BBI line and we expect RCE to continue moving in the uptrend hereafter. This bullish movement is supported by the MACD, which is currently on a bullish crossover. This is also consistent with the uptick in the DMI, which suggests stronger buying momentum ahead. We peg our targets at RM1.09 and RM1.14 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Oriental Kopi Holdings KOPI MK

Technical BUY on breakout with +16.9% potential return

Trading BUY range:	RM0.965-0.97
Last price:	RM0.92
Target price:	RM1.08, RM1.14
Support:	RM0.88
Stop-loss:	RM0.875

BUY on breakout with a target price of RM1.14 and stop-loss at RM0.875. On yesterday's trading activity, share price managed to close above the BBI line and we expect KOPI to continue the upwards movement afterwards. This bullish movement is supported by the DMI that is currently showing positive signals. This also consistent with the uptick in the RSI which suggests stronger buying momentum ahead. We peg our targets at RM1.08 and RM1.14 once it manages to penetrate the breakout level of RM0.965.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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