

AWC Berhad

PWCS Contract Win In Singapore

Newsbreak

- AWC Berhad announced that its sub-subsidiary, Stream Environment (S) Pte Ltd, has received a Letter of Acceptance from the Housing & Development Board of Singapore for the design, build, and operation of a Pneumatic Waste Conveyance System (PWCS) at Project DC & DD, valued at SGD3.9m (~RM12.8m). The contract covers design works from 2 October 2025 to 1 October 2026, followed by a 24-month construction period for each phase upon commencement instruction.

M+ Global View

- This contract win is positive for AWC and will further expand its order book from RM597.0m to RM609.8m, providing solid earnings visibility with a 1.5x cover ratio over FY25 revenue. Meanwhile, it represents 3.0% of our FY26 full-year revenue target.
- Assuming a conservative 20% margin, we believe this project will provide ~RM2.6m throughout the project period.

Valuation & Recommendation

- Forecast.** Following the recent results briefing and management's update that the existing 10-year contract for the Facilities division will be extended by one year until 31 December 2026, while the new 10-year contract is likely commencing in FY27, we have made minor adjustments to our forecasts by 1–2% for FY26–27 core PAT to RM25.7m-29.0m, while also introducing our FY28 financial forecast factoring the latest contract win.
- Maintained BUY with an unchanged TP of RM0.805.** We maintain our BUY recommendation on AWC with an unchanged target price of RM0.805. The target price is derived based on a P/E ratio of 10.0x pegged to mid-FY27f EPS of 8.05 sen.

Company update

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BUY

Share price	RM0.635
Target price	RM0.805
Previous TP	RM0.805
Capital upside	26.8%
Dividend return	-
Total return	26.8%

Company profile

AWC Berhad is an engineering group specialising in integrated facilities management, including building maintenance, automated waste collection, M&E engineering, and rail-related works, serving clients across Malaysia, Singapore, and the Middle East.

Stock information

Bursa Code	7579
Bloomberg ticker	AWCF MK
Listing market	MAIN
Share issued (m)	339.9
Market Cap (m)	215.9
52W High/Low	1.14 / 0.50
Est. Free float (%)	36.6
Beta (x)	2.0
3-mth avg vol ('000)	650.9
Shariah compliant	Yes

Major shareholders

	%
K-Capital Sdn. Bhd.	25.3
Dato' Ahmad Kabeer Bin	6.2
Mohamed Nagoor Mastrack Sdn Bhd	4.4

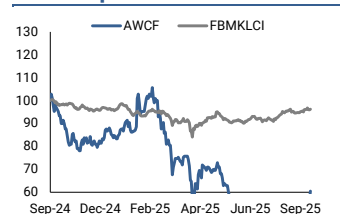
Share price vs. KLCI (%)

Hist. return	1M	3M	12M
Absolute	17.6	13.4	-39.5
Relative	17.2	7.3	-37.2

Earnings snapshot

FYE (Jun)	FY25	FY26f	FY27f
PATMI (m)	24.9	25.7	29.0
EPS (sen)	7.3	7.6	8.5
P/E (x)	8.7	8.4	7.4

Relative performance chart



Financial Forecast

All items in (RM m) unless otherwise stated

Balance Sheet						Income Statement					
FYE Jun (RM m)	FY24	FY25	FY26f	FY27f	FY28f	FYE Jun (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Cash	119	134	130	148	171	Revenue	399	414	428	460	481
Receivables	158	142	155	166	174	EBITDA	33	34	36	40	44
Inventories	29	27	29	31	32	EBIT	33	34	36	40	44
PPE	19	19	20	20	20	Net finance income/ (co)	(1)	(2)	(2)	(2)	(2)
Others	116	107	107	107	107	Associates & JV	-	-	-	-	-
Assets	442	428	441	473	504	Profit before tax	32	32	34	38	42
Debts	107	97	93	89	85	Tax	(8)	(7)	(8)	(9)	(10)
Payables	91	83	90	96	100	Net profit	24	25	26	29	32
Others	32	19	19	19	19	Minority interest	(5)	-	-	-	-
Liabilities	230	199	202	204	204	Core earnings	19	25	26	29	32
Shareholder's equity	212	229	240	269	301	Exceptional items	-	-	-	-	-
Minority interest	-	-	-	-	-	Reported earnings	19	25	26	29	32
Equity	212	229	240	269	301	Valuation & Ratios					
Cash Flow Statement						FYE Jun (RM m)	FY24	FY25	FY26f	FY27f	FY28f
FYE Jun (RM m)	FY24	FY25	FY26f	FY27f	FY28f	Core EPS (sen)	5.7	7.3	7.6	8.5	9.4
Profit before taxation	32	32	34	38	42	P/E (x)	11.1	8.7	8.4	7.4	6.7
Depreciation & amortis	-	-	-	-	-	EV/EBITDA (x)	1.6	1.6	1.5	1.3	1.2
Changes in working cap	5	10	2	(7)	(5)	DPS (sen)	2.9	-	-	-	-
Share of JV profits	-	-	-	-	-	Dividend yield	4.6%	0.0%	0.0%	0.0%	0.0%
Taxation	(8)	(7)	(8)	(9)	(10)	BVPS (RM)	0.62	0.67	0.70	0.79	0.88
Others	2	(7)	-	-	-	P/B (x)	1.0	0.9	0.9	0.8	0.7
Operating cash flow	32	28	28	22	27	EBITDA margin	8.3%	8.1%	8.3%	8.7%	9.1%
Net capex	(3)	(3)	-	-	-	EBIT margin	8.3%	8.1%	8.3%	8.7%	9.1%
Others	(96)	7	-	-	-	PBT margin	8.1%	7.7%	7.9%	8.3%	8.8%
Investing cash flow	(99)	4	-	-	-	Net margin	4.9%	6.0%	6.0%	6.3%	6.7%
Changes in borrowings	82	(10)	(4)	(4)	(4)	ROE	8.9%	11.3%	11.3%	11.4%	11.3%
Issuance of shares	7	3	2	-	-	ROA	4.4%	5.7%	5.9%	6.4%	6.6%
Dividends paid	(10)	-	-	-	-	Net gearing	CASH	CASH	CASH	CASH	CASH
Others	5	(5)	-	-	-						
Financing cash flow	83	(12)	(2)	(4)	(4)						
Net cash flow	17	20	11	17	23						
Forex	(1)	(1)	-	-	-						
Others	-	-	-	-	-						
Beginning cash	119	119	119	130	148						
Ending cash	119	134	130	148	171						

Source: M+ Research

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As of **Tuesday, 23 Sep, 2025**, the analyst(s), Kieran Lim, whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.

Stock recommendation guide

BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned

