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# AWC Berhad

## Engineering Division Kicks Off FY27 with Data Centre Win

### Newsbreak

- AWC Berhad announced that its wholly-owned subsidiary, Qudotech Sdn Bhd, has accepted a RM23.1m subcontract from a joint venture contractor for the execution and completion of plumbing, silo tank, and internal sanitary works in relation to a data centre project. The contract is expected to be completed by June 2027 and will contribute positively to the Group for FY27. This marks the Engineering Division's third data centre contract secured in the past 12 months, with the Group's outstanding order book standing at RM865m as of end-March 2026 (excluding the latest contract win).

### M+ Global View

- We view this contract win as positive for AWC, as it reinforces the Group's growing track record in data centre infrastructure, a high-growth segment driven by accelerating demand for digital infrastructure in the region. The win underscores AWC's increasing recognition as a trusted partner for mission-critical projects with stringent technical requirements.

- Assuming a conservative NP margin between 5%-8%, this contract is expected to contribute around RM1.2m-1.8m to earnings during the contract period.

### Valuation & Recommendation

- **Forecast.** As this job win falls within our order book replenishment assumptions for FY27, we maintain our earnings forecast.

- **Upgraded to BUY with an unchanged TP of RM0.59.** As the share price has declined ahead of the company's announcement, we upgraded our recommendation from Hold to BUY for AWC with an unchanged TP of RM0.59. The target price is derived based on a P/E ratio of 10.0x pegged to FY27f fully-diluted EPS of 5.90 sen.

Company update

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**BUY** (from HOLD)

| | |
|---|---|
| **Share price** | **RM0.450** |
| Target price | RM0.590 |
| Previous TP | RM0.590 |
| Capital upside | 31.1% |
| Dividend return | - |
| Total return | 31.1% |

**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) | 427.7 |
| Market Cap (m) | 192.5 |
| 52W High/Low | 0.785/0.440 |
| Est. Free float (%) | 40.4 |
| Beta (x) | 1.8 |
| 3-mth avg vol ('000) | 256.9 |
| 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 | -7.2 | -23.1 | -19.6 |
| Relative | -10.1 | -22.1 | -28.3 |

**Earnings snapshot**

| FYE (Jun) | FY25 | FY26f | FY27f |
|---|---|---|---|
| PATMI (m) | 24.9 | 19.3 | 25.2 |
| EPS (sen) | 5.8 | 4.5 | 5.9 |
| P/E (x) | 7.7 | 10.0 | 7.6 |

**Relative performance chart**




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## Financial Forecast

*All items in (RM m) unless otherwise stated*

**Balance Sheet**

| FYE Jun (RM m) | FY24 | FY25 | FY26f | FY27f | FY28f |
|---|---|---|---|---|---|
| Cash | 119 | 134 | 124 | 139 | 158 |
| Receivables | 158 | 142 | 139 | 153 | 159 |
| Inventories | 29 | 27 | 26 | 29 | 30 |
| PPE | 19 | 19 | 20 | 20 | 20 |
| Others | 116 | 107 | 107 | 107 | 107 |
| **Assets** | **442** | **428** | **417** | **448** | **474** |
| | | | | | |
| Debts | 107 | 97 | 84 | 82 | 78 |
| Payables | 91 | 83 | 81 | 89 | 91 |
| Others | 32 | 19 | 19 | 19 | 19 |
| **Liabilities** | **230** | **199** | **184** | **190** | **188** |
| | | | | | |
| Shareholder's equity | 212 | 229 | 233 | 258 | 286 |
| Minority interest | - | - | - | - | - |
| **Equity** | **212** | **229** | **233** | **258** | **286** |

**Cash Flow Statement**

| FYE Jun (RM m) | FY24 | FY25 | FY26f | FY27f | FY28f |
|---|---|---|---|---|---|
| Profit before taxation | 32 | 32 | 25 | 33 | 37 |
| Depreciation & amortisation | - | - | - | - | - |
| Changes in working capital | 5 | 10 | 11 | (9) | (4) |
| Share of JV profits | - | - | - | - | - |
| Taxation | (8) | (7) | (6) | (8) | (9) |
| Others | 2 | (7) | - | - | - |
| **Operating cash flow** | **32** | **28** | **30** | **16** | **24** |
| | | | | | |
| Net capex | (3) | (3) | - | - | - |
| Others | (96) | 7 | - | - | - |
| **Investing cash flow** | **(99)** | **4** | **-** | **-** | **-** |
| | | | | | |
| Changes in borrowings | 82 | (10) | (13) | (2) | (4) |
| Issuance of shares | 7 | 3 | 2 | - | - |
| Dividends paid | (10) | - | - | - | - |
| Others | 5 | (5) | - | - | - |
| **Financing cash flow** | **83** | **(12)** | **(11)** | **(2)** | **(4)** |
| | | | | | |
| **Net cash flow** | **17** | **20** | **5** | **14** | **20** |
| Forex | (1) | (1) | - | - | - |
| Others | - | - | - | - | - |
| Beginning cash | 119 | 119 | 119 | 124 | 139 |
| Ending cash | 119 | 134 | 124 | 139 | 158 |

**Income Statement**

| FYE Jun (RM m) | FY24 | FY25 | FY26f | FY27f | FY28f |
|---|---|---|---|---|---|
| **Revenue** | **399** | **412** | **385** | **425** | **440** |
| EBITDA | 33 | 34 | 27 | 34 | 38 |
| EBIT | 33 | 34 | 27 | 34 | 38 |
| Net finance income/ (co | (1) | (2) | (2) | (1) | (1) |
| Associates & JV | - | - | - | - | - |
| **Profit before tax** | **32** | **32** | **25** | **33** | **37** |
| Tax | (8) | (7) | (6) | (8) | (9) |
| **Net profit** | **24** | **25** | **19** | **25** | **28** |
| Minority interest | (5) | - | - | - | - |
| **Core earnings** | **19** | **25** | **19** | **25** | **28** |
| Exceptional items | - | - | - | - | - |
| Reported earnings | 19 | 25 | 19 | 25 | 28 |

**Valuation & Ratios**

| FYE Jun (RM m) | FY24 | FY25 | FY26f | FY27f | FY28f |
|---|---|---|---|---|---|
| Core EPS (sen) | 4.6 | 5.8 | 4.5 | 5.9 | 6.5 |
| P/E (x) | 9.9 | 7.7 | 10.0 | 7.6 | 6.9 |
| EV/EBITDA (x) | 1.0 | 1.0 | 1.3 | 1.0 | 0.9 |
| DPS (sen) | 2.3 | - | - | - | - |
| Dividend yield | 5.1% | - | - | - | - |
| BVPS (RM) | 0.5 | 0.5 | 0.5 | 0.6 | 0.7 |
| P/B (x) | 0.9 | 0.8 | 0.8 | 0.7 | 0.7 |
| | | | | | |
| EBITDA margin | 8.3% | 8.2% | 7.1% | 8.1% | 8.5% |
| EBIT margin | 8.3% | 8.2% | 7.1% | 8.1% | 8.5% |
| PBT margin | 8.1% | 7.7% | 6.6% | 7.8% | 8.3% |
| Net margin | 4.9% | 6.0% | 5.0% | 5.9% | 6.3% |
| | | | | | |
| ROE | 8.9% | 11.3% | 8.6% | 10.3% | 10.2% |
| ROA | 4.4% | 5.7% | 4.5% | 5.8% | 6.0% |
| Net gearing | CASH | CASH | CASH | CASH | CASH |

Source: M+ Research

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As of **Friday, 07 Aug, 2026**, 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 |