GTA Holdings Berhad (GTA)

IPO Note – Not rated

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Golden Takeoff Ahead

- **GTA Holdings Berhad is principally involved in (i) the provision of MRO services for helicopter and fixed-wing engines, parts and components, and (ii) the sale of aviation equipment including new engines, engine modules and spare parts. The Group serves both military and civil aviation customers through long-term maintenance support contracts, including Availability Support Packages (ASP), Power-by-the-Hour (PBH), and In-Service Support (ISS), anchored by key engagements with the Malaysian Ministry of Defence and commercial fleet operators.**
- **We project 3-year earnings CAGR of 6.6%, with core PATMI expected to reach RM40.8m-RM48.9m over the next three years, supported by (i) revenue visibility anchored by multi-year ASP and ISS support contracts with Mindef Service Branches, (ii) capability expansion into new MRO categories, and (iii) geographic expansion into Brunei and the Middle East.**
- **We assign a fair value of RM0.58, indicating a 65.7% upside from the IPO price of RM0.35. This valuation is based on a P/E ratio of 17.0x, pegged to FY27f EPS of 3.42 sen.**

Investment highlights

Malaysia's sole authorised supplier for Safran helicopter and EPI fixed-wing engines. GTA, through its subsidiary Global Turbine Asia, is the sole Safran Certified Maintenance Centre and sole EPI Approved Maintenance Organisation in Malaysia. This exclusive positioning makes GTA the local authorised party to carry out MRO services for Safran-branded helicopter engines and EPI's fixed-wing turboprop engines in the country. The dual OEM authorisation creates a significant competitive moat, as prospective competitors would need to independently obtain CMC/AMO certifications from both Safran and EPI, which is a multi-year process requiring extensive capital investment, technical capability demonstration, and regulatory clearance from CAAM, DGTA, and EASA.

Entrenched government relationships with multi-year contract visibility. GTA has long-standing relationships of up to 15 years with Mindef Service Branch 1 and Branch 2, which collectively contributed 92.1% of FY25 revenue and 95.4% of FPE26 revenue. The Group secured a 5-year extension for its Heavy Helicopter Engine 1 ASP contract in 2023 and signed an ISS prime contractor appointment for Fixed-wing Engine 1 support in the same year. These long-term government contracts underpin strong revenue visibility and cash flow predictability.

Expanding MRO capability toward aircraft landing gear systems. GTA's MRO capability has expanded from Level 1 MRO for a single helicopter engine in 2012 to covering 7 Safran products (5 helicopter engines and 2 APUs) and EPI's Fixed-wing Engine 1 as at the LPD. The Group intends to further expand into MRO of landing gear, wheels, and brakes, with RM5.9m (8.2% of IPO proceeds) allocated toward it, which would add a new layer of recurring maintenance revenue for the Group.

Geographical expansion into Middle East and Brunei. GTA plans to extend its helicopter MRO footprint beyond Malaysia by pursuing JV arrangements in the Middle East to offer ASP and PBH packages, backed by RM10.0m (13.9% of IPO proceeds) allocated for market access, regulatory compliance and also equipment and mobilisation costs. Concurrently, the Group signed an MOU with Safran HE in July 2026 and aims to become its authorised distributor and service provider in Brunei by end-2026, which will be serviced directly from its existing Malaysian facilities.

Non-Rated

Share price	**0.35**
Target price	**0.58**
Previous TP	**-**
Capital upside	65.7%
Dividend return	3.0%
Total return	68.7%

Company profile

GTA Holdings Berhad is an investment holding company. Through its subsidiary Global Turbine Asia Sdn Bhd, the Group provides aviation MRO services and also the sale of aviation equipment, serving both the military and civil customers in Malaysia.

Stock information

Bursa Code	0469
Bloomberg ticker	GTA MK
Listing market	ACE
Share issued (m)	1291.3
Market Cap (m)	452.0
Shariah compliant	Yes

Major shareholders	%
Dato' Nonee Ashirin	39.6
Ludev Capital Limited	19.7
Brands Connect Asia	12.2

Earnings snapshot

FYE (Dec)	FY25	FY26f	FY27f
PATMI (m)	40.4	40.8	44.2
EPS (sen)	3.1	3.2	3.4
P/E (x)	11.2	11.1	10.2

Timetable of IPO

Opening of application	19 Aug
Closing of application	26 Aug
Balloting of application	28 Aug
Allotment of the IPO shares	7 Sep
Listing on the ACE market	8 Sep

Industry overview

According to the IMR report, the MRO industry in Malaysia is forecast to expand at a CAGR of 9.9% from RM13.81bn in 2025 to RM22.15bn by 2030. Driven by this broader momentum, demand is increasingly underpinned by strong national policy backing (MAIB2030, NIMP2030, 12MP), rebounding air travel, and escalating defence spending, highlighted by the Ministry of Defence's Budget 2025/2026 allocations (including RM5.8bn dedicated to military asset maintenance, repair, and procurement).

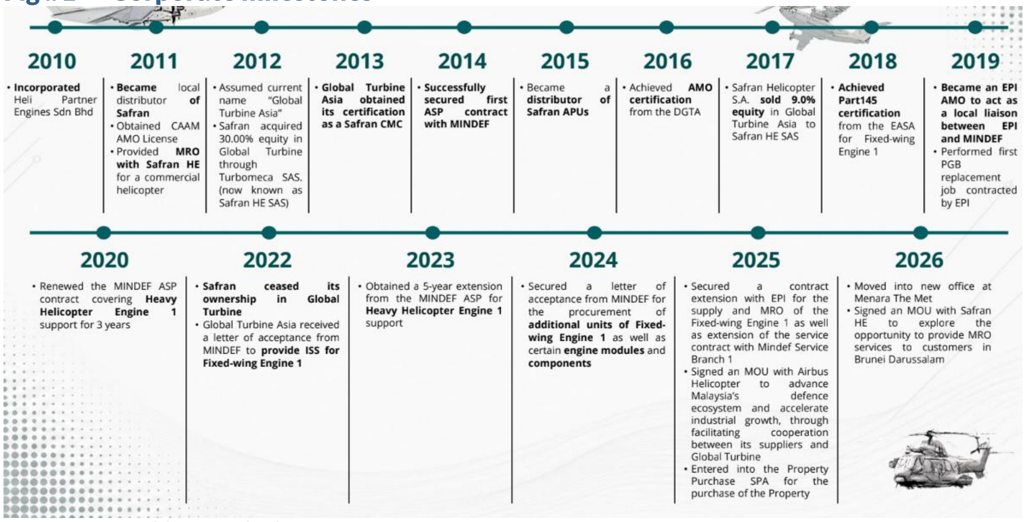
Meanwhile, GTA commands an estimated 2.4% market share of Malaysia's MRO industry (based on FY25 revenue of RM331.8m), establishing a strong footprint in a high-barrier sector focused on military and civil engine maintenance. Backed by strategic partnerships with global OEMs like Safran and EPI, we believe GTA is well-positioned to capture these multi-sector tailwinds, fuelled by national fleet modernisation efforts, rising military helicopter demand, and Malaysia's overarching goal to capture 50% of Southeast Asia's MRO and 5.0% of global market share by 2030.

Company background

GTA Holdings Berhad is an aviation maintenance, repair, and overhaul (MRO) solutions provider, specialising in helicopter and fixed-wing turbine engines, modules, and components. Its solutions are engineered for high-precision airworthiness standards, designed primarily to inspect, repair and maintain critical propulsion systems (such as Safran helicopter engines and EPI fixed-wing engines) within military and civil aviation environments.

The Group has established its expertise since 2010 in providing end-to-end aerospace engine MRO solutions, encompassing proactive maintenance packages (ASP, PBH, and ISS), corrective repairs, and the supply of aviation equipment. Commencing its business through Global Turbine Asia Sdn Bhd, the Group built an exclusive operational moat by becoming the only Safran Certified Maintenance Centre in Malaysia in 2013 and expanding into fixed-wing engines as an EPI Approved Maintenance Organisation in 2019. The Group will be listed on the ACE Market of Bursa Malaysia.

Fig #1 Corporate milestones



Source: GTA Holdings Berhad

Substantial Shareholders and Key Management

1. Dato' Nonee Ashirin – Managing Director cum Chief Executive Officer
Responsible for overseeing the overall business operations, strategic direction, and growth of the Group.

2. Philippe Lubrano – Non-Independent Non-Executive Director
Responsible for guiding strategic development, expanding operational capabilities, and building key business partnerships for the Group.

3. Syed Abdul Rahman – Non-Independent Non-Executive Director
Responsible for guiding the management team and contributing to strategic planning, quality assurance, and risk management initiatives.

4. Koh Teng Ngiab – Chief Financial Officer
Responsible for managing and overseeing the overall financial management, reporting, and treasury operations of the Group.

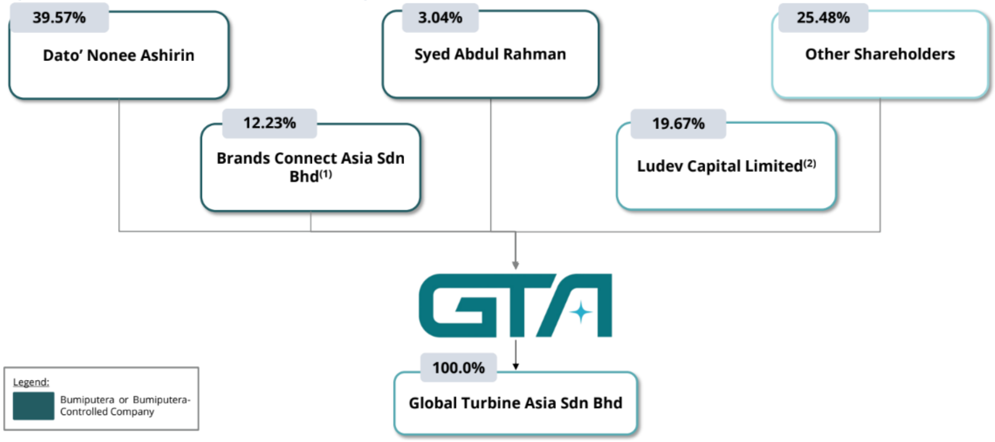
5. Olivier Toffoli – Head of Commercial and Customer Support
Responsible for overseeing the Group's operational, commercial, and customer support activities.

6. Mahathir bin Azmi – Head of Business Innovation and Facilities Management
Responsible for developing and managing the new Centre of Excellence, overseeing facilities maintenance, and managing safety, health, and environment (HSE) compliance.

7. Siti Aisyah binti Mohamad Sabar – Quality and Safety Manager
Responsible for overseeing quality assurance, safety functions, and ensuring strict adherence to regulatory and aviation industry standards.

8. Khairul bin Ayop – Head of Technical and Logistics
Responsible for managing and overseeing the Group's technical execution and logistical operations.

Fig #2 Post-IPO shareholding structure



Source: GTA Holdings Berhad

Fig #3 Use of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Establishing a new operating facility	25.0	34.8	Within 6 months
Expansion of helicopter MRO activities in the Middle East	10.0	13.9	Within 24 months
Expansion into MRO of landing gear, wheels and brakes	5.9	8.2	Within 24 months
Working capital	24.2	33.7	Within 24 months
Defray the listing expenses	6.7	9.3	Within 3 months
Total	71.8	100.0	

Source: GTA Holdings Berhad

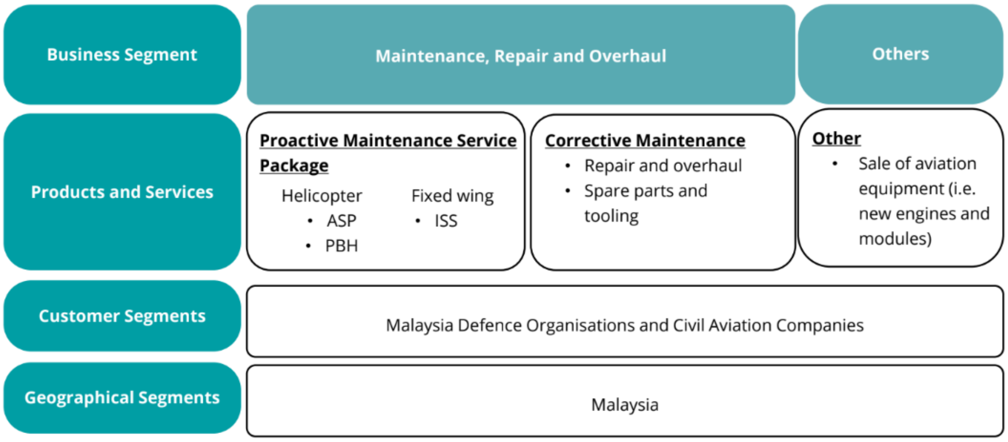
Business overview

Proactive maintenance support package (25.7% of FPE26 Revenue)
This segment delivers tailored ongoing operations, maintenance, and support services designed to optimize fleet availability and maintain airworthiness. Backed by high customer retention and multi-year subscription-style contracts spanning up to five years with the Ministry of Defence and civil operators, key offerings include Availability Support Packages (ASP), Power-by-the-Hour (PBH), and In-Service Support (ISS). By pre-planning inspections, servicing, and module replacements based on OEM flight-hour and time milestones, this segment prevents minor issues from escalating, serving as the Group's primary recurring revenue engine.

Corrective maintenance (11.8% of FPE26 Revenue)
This segment encompasses reactive, rapid-response repair and overhaul services engineered to restore aircraft airworthiness following unexpected operational issues or underperformance. Key offerings include swift component repairs, unscheduled inspections, and emergency line-replaceable unit (LRU) fixes carried out upon breakdown events or routine checks, ensuring continued operational safety and mission reliability for critical defense and aviation fleets.

Sale of aviation equipment (62.5% of FPE26 Revenue)
This segment encompasses the direct procurement, supply, and integration of high-value aviation hardware to fulfill customer operational requirements and fleet modernization needs. Key offerings include the sale of new complete engines, engine modules, specialized OEM tooling, and critical spare parts, complementing the Group's core MRO offerings.

Fig #4 Principal business activities and services provided



Source: GTA Holdings Berhad

Fig #5 SWOT analysis of GTA

Strength	Weakness
• Sole authorised Safran and EPI supplier in Malaysia • Holds authorisations and certifications from Safran, EPI, CAAM, DGTA and EASA • Long-term contracts with Mindef (up to 5 years)	• Heavy government revenue concentration (92% in FY25) • Dependent on 2 OEM suppliers (Safran & EPI)
Opportunity	**Threat**
• Middle East helicopter MRO expansion via JVs • Brunei Darussalam MRO services (MOU with Safran HE) • Malaysia's rising defence spending and fleet modernisation	• Changes in government defence budget priorities • Contract non-renewal or scope reduction risk

Source: M+ Research

Financials

Revenue and income highlights. The Group posted revenue of RM103.6m in FPE26, surging RM52.1m or 101.0% YoY from RM51.6m in FPE25, primarily driven by the sales of aviation equipment segment, which jumped RM63.8m or 6512.2% YoY to RM64.8m (from RM1.0m in FPE25). This was partially offset by a decline in corrective maintenance revenue (down RM8.8m or 41.8% YoY to RM12.2m) due to fewer repair jobs and lower average repair values, alongside proactive maintenance service packages (down RM3.0m or 10.0% YoY to RM26.6m) on lower ASP flying activities. Core PAT increased from RM5.3m in FPE25 to RM12.5m in FPE26.

Balance sheet. Total assets expanded 57.1% YoY, from RM100.6m in FY25 to RM158.1m in FPE26, led by increase in property, plant and equipment following the completion of Shah Alam property acquisition in February 2026. Hence, the Group also incurred non-current borrowings of RM20.9m in FPE26 due to the drawdown of term loan for the acquisition of Shah Alam property. Lastly, total equity grew 7.2% to RM67.6m, thanks to the increase in retained earnings.

Cash flow. For FPE26, the Group recorded a net cash of RM15.9m used in operating activities. Meanwhile, net cash used in investing activities recorded at RM23.7m, mainly attributable to cash payment for the purchase of property, plant and equipment, while net cash from financing activities amounted to RM12.8m, mainly comprised of the drawdown of term loan.

Earnings forecasts. Moving forward, we project a 3-year earnings CAGR of 6.6%, with core PATMI expected to reach RM40.8m, RM44.2m and RM48.9m over the next three years. This growth is underpinned by (i) revenue visibility anchored by multi-year ASP and ISS support contracts with Mindef Service Branches, (ii) capability expansion into new MRO categories, specifically aircraft landing gear, wheels, and brakes, and (iii) geographic expansion into Brunei and the Middle East.

Fig #6 Financial Highlights

FYE Dec (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Revenue	236.6	331.8	311.7	340.3	369.6
EBITDA	50.3	54.0	55.2	61.7	68.7
EBIT	49.7	53.3	53.0	57.8	64.2
PBT	48.5	54.1	53.7	58.1	64.5
PAT	36.6	40.4	40.8	44.2	49.1
PATMI – Core	36.6	40.4	40.8	44.2	49.1
PATMI – Reported	36.6	40.4	40.8	44.2	49.1
% change YoY – Core PATMI	187%	10%	1%	8%	11%
Core EPS (sen)	2.8	3.1	3.2	3.4	3.8
P/E (x)	12.3	11.2	11.1	10.2	9.2
EV/EBITDA (x)	8.5	7.9	7.7	6.9	6.2
DPS (sen)	0.0	0.3	1.0	1.1	1.3
Yield (%)	0%	1%	3%	3%	4%
BVPS (RM/share)	0.0	0.0	0.1	0.1	0.2
P/B (x)	7.5	7.2	2.8	2.4	2.0
ROE (%)	69%	65%	37%	25%	24%
Net Gearing (x)	CASH	CASH	CASH	CASH	CASH

M+ Global Research

Valuations

We assign a fair value of RM0.58 for GTA, indicating a 65.7% upside from the IPO price of RM0.35. This valuation is based on a P/E ratio of 17.0x, pegged to FY27f EPS of 3.42 sen.

As there are no pure-play aviation MRO peers listed on Bursa Malaysia, we selected four diversified aerospace manufacturing, industrial equipment, and defence-linked engineering companies for local market benchmarking, as well as three global aviation MRO providers. Despite GTA predominantly serving the local market, especially the Ministry of Defence, we deem selecting international peers for benchmarking as fair, given that GTA is starting to expand regionally and the selected international peers serve as a top-tier global benchmark for MRO technical standards and services.

While peers are trading at average forward and historical P/E multiples of 18.8x–29.1x, with median P/E multiples of 16.9x–28.1x, we adopted a P/E multiple of 17.0x, which sits at the lower end of the range to reflect GTA's much smaller market cap of RM452.0m (RM0.5bn), compared to its peers' average of RM117,895.4m (RM117.9bn). This is also justified given that some of the peers are global MRO giants with significantly broader geographic footprints and stronger brand names.

Fig #7 Peers comparison

	Market Group	FYE	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)
GTA Holdings Berhad	**Ace**	**Dec**	**0.35**	**452.0**	***11.2**	****10.2**	***65.4**	***12.2**
Safran SA	Euronext Paris	Dec	1,647.46	678,379.0	36.9	N/A	28.0	23.0
Singapore Technologies Enginee	SGX	Dec	33.98	105,980.6	58.3	N/A	21.8	3.7
AAR Corp	NYSE	May	544.60	21,925.2	28.1	23.3	12.9	5.7
Destini Bhd	MAIN	Jun	0.28	151.0	5.2	N/A	17.1	7.7
Sam Engineering & Equipment M	MAIN	Mar	4.17	2,823.0	63.1	36.3	3.3	3.1
T7 Global Bhd	MAIN	Dec	0.27	264.7	5.1	5.2	10.0	6.4
Sime Darby Bhd	MAIN	Jun	2.31	15,744.0	7.2	10.6	11.6	2.9
Avg ex-GTA Holdings Berhad				**117,895.4**	**29.1**	**18.8**	**15.0**	**7.5**
Avg ex-GTA Holdings Berhad (Median)					**28.1**	**16.9**		

Source: M+ Research (*FY25, **FY27f)

Investment risks

Customer concentration risk. Mindef Service Branch 1 and Service Branch 2 together represent approximately 95.43% of the Group's FPE26 revenue. The Group's business is materially dependent on the continued renewal of ASP, ISS and equipment procurement contracts with the Malaysian military. Any reduction in defence spending, change in military procurement policy, or decision by Mindef to insource MRO activities could negatively impact the Group's revenue and profitability.

OEM dependency risk. The Group's entire business model is built upon its relationships with Safran and EPI as OEM principals. Loss of the Safran CMC certification or EPI AMO status, through performance failures, policy changes, or the OEMs appointing alternative local partners would be detrimental for GTA.

Regulatory and certification risk. GTA's operations are subject to strict certification and licensing requirements enforced by regulatory bodies (CAAM, DGTA, EASA) and OEM principals (Safran, EPI). Any suspension, revocation, non-renewal, or tightening of these approvals would restrict GTA's ability to service specific engines or clients, severely impacting GTA’s operations and financial performance.

Contract renewal and pipeline risk. The Group's financial performance relies heavily on its ability to consistently secure, maintain, and extend MRO service contracts with existing and new customers. Delays in contract awards, failure to obtain multi-year extensions (particularly for government fleets), or an inability to replenish the order book could lead to revenue depletion and adversely affect earnings visibility.

Environmental, Social and Governance (ESG) Practices

Environmental:

- GTA plans to install a solar photovoltaic (PV) and battery storage system at its new operating facility to generate and store clean energy, reducing overall greenhouse gas emissions.
- Management enforces strict HSE waste management and recycling policies, deploying dedicated waste separation bins and limiting plastic and paper usage across operations.
- The Group actively participates in environmental conservation, undertaking tree-planting initiatives across Langkawi, Perak, and Kuala Lumpur, alongside marine endangered species regeneration programs.

Social:

- GTA prioritizes employee health, safety and wellbeing by maintaining a robust HSE policy with regular audits, first aid training, fire and safety drills, and

promoting physical and mental wellness through organised activities and positive interventions.
- The Group is reviewing its HR policies on diversity, equity and inclusion benefits and privileges, while implementing gender and inclusivity sensitivity training programs.
- GTA provides community engagement and socio-economic support for marginalised communities in living standards, wellness, and children education, alongside offering community support for natural disasters.
- Maintains internal health, safety, and welfare policies, provides employee safety-related training and ensures compliance with human rights and fair labour standards.

Governance:
- GTA targets operational efficiency and resource optimisation by implementing Lean Six Sigma or AGILE methodologies to streamline processes and minimise waste, while investing in digitalisation and automation technologies.
- The Group provides upskilling and certification training programs for technicians and skilled staff, while digitalising workflow and CRM processes and improving the alignment of balanced scorecard targets and performance appraisal formats.
- GTA is enhancing its supply chain resilience by digitalising supply chain processes for better traceability and real-time monitoring, as well as collaborating with its prime logistics partner to adopt low carbon transport modes.
- The Group is adopting robust governance and risk management policies covering anti-bribery and corruption, director fit and proper, related parties and conflict of interest, internal control and risk assessment, whistleblowing, equitable merit-based procurement, and DEI-based HR recruitment policies.
- Establishes risk and internal audit committees, alongside a management committee on sustainability, to provide formal oversight with the goal of quarterly reporting on substantive programs and measures of progress.

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