

AWC Berhad

Fourth DC Contract Win Reinforces Engineering Momentum Newsbreak

- AWC Berhad announced that its wholly-owned subsidiary, Qudotech Sdn Bhd (Qudotech), has on 14 October 2026 entered into a subcontract agreement with Gamuda Engineering Sdn Bhd (Gamuda) for the supply, delivery, installation, testing and commissioning of the cold water system, rainwater harvesting system, water reticulation, fire hydrant and sanitary services for a hyperscale data centre at Bandar Springhill, Port Dickson, Negeri Sembilan, for a subcontract sum of RM39.7m. This is the fourth data centre win for the Engineering Division in the past 12 months, bringing the aggregate value to RM127.3m. The contract is expected to contribute positively to the Group for FY27 until its completion.

M+ Global View

- We view this contract win positively, as it reinforces the track record Qudotech has built in the hyperscale data centre segment. The repeat engagement with Gamuda, following the RM23.1m subcontract secured in August 2026, underscores the execution reliability that the Engineering Division has demonstrated across successive DC projects.
- Post this award, the Engineering Division's pro-forma order book rises to ~RM202.0m (from RM139.2m reported as at June 2026, after including the two recent DC jobs totalling RM62.8m: the RM23.1m August award and this RM39.7m win). At Group level, AWC's order book expands to ~RM887.1m on a pro-forma basis.

Valuation & Recommendation

- Forecast.** As this contract win falls within our order book replenishment assumptions for the Engineering division, we maintain our core PAT forecasts for FY27f – FY29f.
- Maintain BUY with TP of RM0.80.** We maintain our BUY recommendation with an unchanged TP of RM0.80, based on a P/E multiple of 12.0x pegged to our mid-FY28f fully diluted EPS of 6.69 sen. The latest contract win further bolsters engineering earnings visibility and validates our order book replenishment assumptions underpinning the valuation.
- Downside risks.** Risks to our recommendation include (i) failure to renew the government's concession contract and (ii) continued delays in Middle East project progress.

Company Update

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BUY

Share price	RM0.690
Target price	RM0.800
Previous TP	RM0.800
Capital upside	15.9%
Dividend return	-
Total return	15.9%

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)	295.1
52W High/Low	0.785 / 0.430
Est. Free float (%)	40.2
Beta (x)	1.5
3-mth avg vol ('000)	1431.4
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 (%)

	1M	3M	12M
Hist. return			
Absolute	20.0	48.4	-0.7
Relative	23.8	56.2	-1.7

Earnings snapshot

	FY26	FY27f	FY28f
FYE (Jun)			
PAT (m)	20.1	27.8	29.4
EPS (sen)	4.7	6.5	6.9
P/E (x)	14.7	10.6	10.0

Relative performance chart



Financial Forecast

All items in (RM m) unless otherwise stated

Balance Sheet

FYE Jun (RM m)	FY25	FY26	FY27f	FY28f	FY29f
Cash	134	122	114	138	165
Receivables	142	145	182	191	202
Inventories	27	30	34	36	38
PPE	19	19	20	20	20
Others	107	94	107	107	107
Assets	428	410	458	493	533
Debts	97	72	72	73	74
Payables	83	72	106	111	117
Others	19	16	19	19	19
Liabilities	199	159	197	202	210
Shareholder's equity	229	250	261	291	323
Minority interest	-	-	-	-	-
Equity	229	250	261	291	323

Cash Flow Statement

FYE Jun (RM m)	FY25	FY26	FY27f	FY28f	FY29f
Profit before taxation	32	28	37	39	41
Depreciation & amortisation	-	-	-	-	-
Changes in working capital	10	(18)	(26)	(6)	(7)
Share of JV profits	-	-	-	-	-
Taxation	(7)	(8)	(9)	(9)	(10)
Others	(7)	14	(12)	-	1
Operating cash flow	28	16	(10)	24	26
Net capex	(3)	(3)	-	-	-
Others	7	4	-	-	-
Investing cash flow	4	1	-	-	-
Changes in borrowings	(10)	(25)	0	0	1
Issuance of shares	3	2	-	-	-
Dividends paid	-	(3)	-	-	-
Others	(5)	1	-	-	-
Financing cash flow	(12)	(26)	0	0	1
Net cash flow	20	(9)	(10)	24	27
Forex	(1)	(4)	-	-	-
Others	(5)	1	-	-	-
Beginning cash	119	134	124	114	138
Ending cash	134	122	114	138	165

Source: M+ Research

Income Statement

FYE Jun (RM m)	FY25	FY26	FY27f	FY28f	FY29f
Revenue	412	445	504	530	560
EBITDA	34	30	38	40	43
EBIT	34	30	38	40	43
Net finance income/ (co)	(2)	(2)	(1)	(1)	(1)
Associates & JV	-	-	-	-	-
Profit before tax	32	28	37	39	41
Tax	(7)	(8)	(9)	(9)	(10)
Net profit	25	20	28	29	31
Minority interest	-	-	-	-	-
Core earnings	25	20	28	29	31
Exceptional items	-	6	-	-	-
Reported earnings	25	26	28	29	31

Valuation & Ratios

FYE Jun (RM m)	FY25	FY26	FY27f	FY28f	FY29f
Core EPS (sen)	5.8	4.7	6.5	6.9	7.3
P/E (x)	11.8	14.7	10.6	10.0	9.4
EV/EBITDA (x)	4.1	4.6	3.6	3.4	3.2
DPS (sen)	-	0.8	-	-	-
Dividend yield	-	0.0	-	-	-
BVPS (RM)	0.5	0.6	0.6	0.7	0.8
P/B (x)	1.3	1.2	1.1	1.0	0.9
EBITDA margin	8.2%	6.7%	7.5%	7.5%	7.6%
EBIT margin	8.2%	6.7%	7.5%	7.5%	7.6%
PBT margin	7.7%	6.4%	7.3%	7.3%	7.4%
Net margin	6.0%	4.5%	5.5%	5.5%	5.6%
ROE	11.3%	8.4%	11.2%	10.7%	10.2%
ROA	5.7%	4.8%	6.4%	6.2%	6.1%
Net gearing	CASH	CASH	CASH	CASH	CASH

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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

