



Company Report

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JATI TINGGI

(JTGROUP MK EQUITY, JTGROUP.KL)

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Powering ahead: Strong orderbook, visible margin upswing

BUY

(Maintained)

Rationale for report: Company Result

Price	RM0.68
Fair Value	RM1.00
52-week High/Low	RM0.77/RM0.28

Key Changes

Fair value	↔
EPS	↔

YE to Nov	FY24	FY25F	FY26F	FY27F
Revenue (RM mil)	128.0	193.4	270.1	340.0
Core net profit (RM mil)	2.2	11.4	20.4	28.4
FD Core EPS (sen)	0.5	2.6	4.7	6.6
FD Core EPS growth (%)	(58.1)	423.9	79.1	39.0
Consensus Net Profit (RM mil)	-	11.4	20.4	28.4
DPS (sen)	0.7	0.8	1.4	2.0
PE (x)	134.6	25.7	14.3	10.3
EV/EBITDA (x)	15.0	15.3	9.3	6.8
Div yield (%)	0.9	1.1	1.9	2.7
ROE (%)	14.7	12.3	19.1	22.4
Net Gearing (%)	3.0	nm	nm	nm

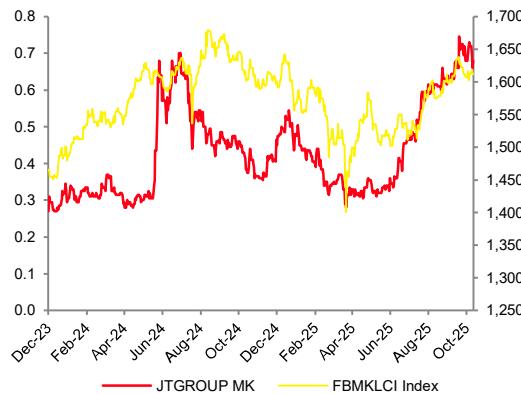
Stock and Financial Data

Shares Outstanding (million)	431.0
Market Cap (RMmil)	293.1
Book Value (RM/Share)	0.15
P/BV (x)	4.5
ROE (%)	14.7
Net Gearing (%)	nm

Major Shareholders	Broad River Cap (46.4%)
	Seri Lim Yeong Seong (12.5%)
	Chin Jiunn Shyong (3.9%)

Free Float	27.6
Avg Daily Value (RMmil)	2.0

Price performance	3mth	6mth	12mth
Absolute (%)	47.8	115.9	63.9
Relative (%)	39.8	103.0	64.2



Investment Highlights

We maintain **BUY** call on Jati Tinggi (JT) with an unchanged target price of RM1.00/share. 9MFY25 core net profit rose 2.7x YoY, broadly within our expectations, accounting for 58% of our estimate. Following a weak 1H25, we had projected a stronger 2H25, which contributed 70% of FY25F earnings. The rebound mainly stems from the tapering of low margin KLCC-centric projects. As these contracts end and new higher-margin contracts come through, margin improved to 7% in 3Q, (v. avg margin 5% in 1H25). Sequentially, revenue more than doubled with earnings propelled by 109%, driven by the recognition of two new key projects worth RM18mil (6% of market cap). Moving forward, we expect 4Q to be stronger as project momentum builds. With a solid net cash position post-equity placement (RM22mil YTD), JT is well poised to undertake larger contracts, reinforcing earnings visibility and shifting towards main contractor role.

- **Maintain BUY at a target price of RM1.00**, valuing the stock at 16x FY27F PE. Our target multiple is +1SD above the 5-year average forward P/E of the Bursa Malaysia Construction Index (KLCON), reflecting JT's superior forward earnings growth rate of 79%. With structural tailwinds from TNB's RM35bil grid capex, a surging order book, and visible margin recovery.
- **Results in line, margin recovery materialising.** 9MFY25 core net profit of RM6.6mil was in line with expectations, accounting for 58% of our estimate. The strong YoY growth of 2.73x reflects the normalisation from 9MFY24's weaker base due to KLCC-centric project delays from council access and traffic constraints. We expect 4Q25 to deliver a stronger performance, backed by a record-high orderbook of RM710mil (up from RM640mil in 2QFY25), providing earnings visibility over the next 2-3 years.
- **Topline more than double on key project contributions.** JT's QoQ revenue and core net profit jumped 64% and 109% respectively, mainly driven by two major projects begun contributing during the quarter: the 132kV interim bulk supply to a semiconductor factory in KL (RM9.6mil) and the 275kV bulk supply connection to a data centre in Johor (RM8.3mil).
- **Strong orderbook momentum.** JT secured new project wins totalling RM195mil in 3Q25, comprising five major contracts, including 132kV underground and 33kV submarine cable installations in Taman Melawati and Lumut, as well as multiple 11kV cable installation packages across Selangor, North, and South Zones. This translates into a 10% tender success rate from its RM2bil tenderbook and an 11% uplift in the orderbook. Following its private placement, JT's net cash position improved to RM22mil, enhancing its capacity to undertake larger contracts. With rising project scale, stronger balance sheet, and margin recovery underway, JT is well positioned to reinforce earnings visibility and transition into a main contractor role.

EXHIBIT 1: 3QFY25 AND 9MFY25 EARNINGS SUMMARY

Figures in RM'mil	Quarterly Results					YTD		
	3Q24	2Q25	3Q25	QoQ %	YoY %	9M24	9M25	YoY %
Revenue	27.4	32.2	53.0	64.2	93.6	90.9	110.1	21.2
EBIT	3.3	2.4	6.6	>100	>100	13.8	10.4	(24.1)
PBT	2.0	2.4	4.4	85.7	>100	11.1	7.9	(28.9)
Taxation	(0.7)	(0.5)	(1.2)	>100	81.7	(1.9)	(2.0)	9.4
Minority interest	-	-	-	NA	NA	-	-	NA
PATAMI	1.3	1.9	3.2	69.9	>100	9.3	5.9	(36.7)
Exceptionals	-	-	0.7			(7.5)	0.7	
Core Net Profit	1.3	1.9	3.9	>100	>100	1.8	6.6	>100
EPS (sen)	0.3	0.5	1.0	>100	>100	0.5	1.7	>100
DPS (sen)	-	-	-	NA	NA	-	-	NA
Payout ratio	0%	0%	0%			0%	0%	
				PPT	PPT			PPT
EBIT Margin %	12.0%	7.6%	12.5%	4.9	0.6	15.1%	9.5%	-5.7
PBT Margin %	7.2%	7.4%	8.3%	1.0	1.1	12.2%	7.2%	-5.1
Effective Tax Rate %	34.7%	21.4%	28.1%	6.7	-6.6	16.8%	25.9%	9.1
Core Net Profit Margin %	4.7%	5.8%	7.4%	1.6	2.7	1.9%	6.0%	4.0

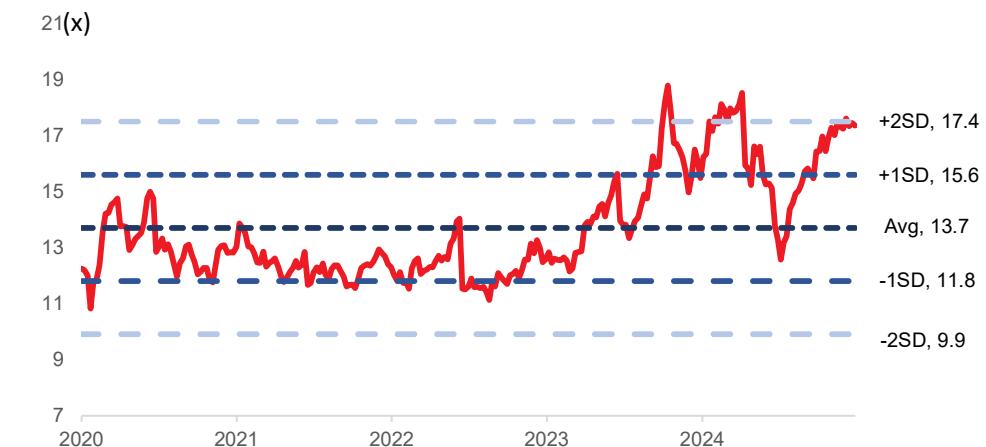
Source: Company

EXHIBIT 2: VALUATIONS

Target PE (x)	16x
FY27 EPS	6.59sen
12-month target price	RM1.00

*May not add up due to rounding

EXHIBIT 3: 5-YEAR FORWARD PE OF BURSA MALAYSIA CONSTRUCTION INDEX



Source: Bloomberg, Amlnvestment Bank

Company profile

Jati Tinggi is primarily a utilities engineering services provider, with 99.5% of its revenue derived from core offerings in overhead and underground energy transmission infrastructure engineering solutions. The company's scope of work includes the procurement, supply, installation, construction, laying, relocation, testing, inspection, repair, and maintenance of energy transmission systems. Additionally, Jati Tinggi is involved in project planning, mapping, and the management of technical aspects across its engineering engagements.

Other services include the provision of substation EPCC services, such as design and project management of indoor and outdoor high-voltage electrical substations. The company also engages in the trading of equipment for substations, as well as the inspection and maintenance of street lighting equipment.

Investment thesis and catalysts

JT offers a compelling growth story backed by a strong track record in power infrastructure, proprietary tech-driven execution, and experienced leadership. With structural tailwinds from TNB's RM35bil grid capex, a surging order book, and margin recovery underway, JT is well-positioned for multi-year earnings growth.

Valuation methodology

We adopt a P/E valuation approach for JT, which we find suitable given its robust growth trajectory supported by strong industry tailwinds. We assign a 16x FY27F P/E multiple, leading to a target price of RM1.00 per share. This valuation is anchored to +1 standard deviation above the 5-year average forward P/E of the Bursa Malaysia Construction Index, reflecting JT's superior 79% forward earnings growth.

Our selected multiple also aligns JT with its closest peers (Construction companies with data centre exposure and small cap construction companies). At this level, investors are offered access to high-growth potential at a fair valuation, making JT a compelling proposition within the small-cap construction space.

Risk factors

Client concentration risk: Contracts have historically been dependent on three key clients who are main contractors to TNB. While JT is actively pursuing main contractor roles, damage to this relationship may lead to a meaningful decline business prospect.

Key management risk: Continued contract wins are dependent on the expertise and proven track records of JT's key management team, namely, Managing Director Dato' Seri Lim and Executive Director / COO Chin Jiunn Shyong.

Reliance on subcontractors: Subcontracted services (HDD, installation, piping, and cable laying works) make up c.35% of COGS. As these subcontractors have no direct contractual relationship with our clients, any underperformance, delays, and quality issues resulting from subcontracted work will fall under JT's responsibility.

Raw materials sensitivity & key supplier risk: In line with the broader construction industry, JT's profitability is sensitive to the cost of materials. In particular, cables which historically make up between c.59% of purchases + subcontractor fees; cables are supplied by Power Cables Malaysia, JT's key supplier.

EXHIBIT 4: FINANCIAL DATA

Income Statement (RMmil, YE 30 Nov)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	115.0	128.0	193.4	270.1	340.0
EBITDA	8.9	19.7	17.3	29.3	39.9
Depreciation/Amortisation	(0.8)	(0.8)	(0.9)	(1.0)	(1.1)
Operating income (EBIT)	8.2	18.9	16.4	28.3	38.8
Other income & associates	0.1	(3.7)	-	-	-
Net interest	(2.3)	(2.0)	(1.4)	(1.4)	(1.4)
Exceptional items	-	-	-	-	-
Pretax profit	5.9	13.2	15.0	26.9	37.4
Taxation	(2.0)	(3.5)	(3.6)	(6.5)	(9.0)
Minorities/pref dividends	-	-	-	-	-
Net profit	3.9	9.7	11.4	20.4	28.4
Core net profit	3.9	2.2	11.4	20.4	28.4
Balance Sheet (RMmil, YE 30 Nov)	FY23	FY24	FY25F	FY26F	FY27F
Fixed assets	3.1	2.4	2.6	2.6	2.6
Intangible assets	0.1	-	-	-	-
Other long-term assets	-	-	-	-	-
Total non-current assets	3.2	2.4	2.6	2.6	2.6
Cash & equivalent	23.5	20.6	51.1	44.2	45.2
Stock	0.4	0.5	0.7	1.0	1.3
Trade debtors	83.9	99.2	141.1	197.1	248.1
Other current assets	20.1	14.1	14.1	14.1	14.1
Total current assets	127.9	134.4	207.0	256.5	308.7
Trade creditors	53.5	44.0	89.8	125.0	157.3
Short-term borrowings	31.4	22.2	22.2	22.2	22.2
Other current liabilities	6.5	3.8	3.8	3.8	3.8
Total current liabilities	91.5	70.0	115.8	151.1	183.4
Long-term borrowings	-	0.4	0.4	0.4	0.4
Other long-term liabilities	0.6	0.7	0.7	0.7	0.7
Total long-term liabilities	0.6	1.0	1.0	1.0	1.0
Shareholders' funds	39.0	65.7	92.7	107.0	126.9
Minority interests	-	-	-	-	-
BV/share (RM)	0.12	0.15	0.22	0.25	0.29
Cash Flow (RMmil, YE 30 Nov)	FY23	FY24	FY25F	FY26F	FY27F
Pretax profit	5.9	13.2	15.0	26.9	37.4
Depreciation/Amortisation	0.8	0.8	0.9	1.0	1.1
Net change in working capital	(4.5)	(34.0)	3.6	(21.1)	(19.0)
Others	0.6	(4.1)	(3.6)	(6.5)	(9.0)
Cash flow from operations	2.8	(24.2)	15.9	0.4	10.5
Capital expenditure	(0.1)	(0.1)	(1.1)	(1.1)	(1.1)
Net investments & sale of fixed assets	-	-	-	-	-
Others	-	7.6	-	-	-
Cash flow from investing	(0.1)	7.5	(1.1)	(1.1)	(1.1)
Debt raised/(repaid)	5.9	(8.3)	-	-	-
Equity raised/(repaid)	-	17.1	19.0	-	-
Dividends paid	-	-	(3.4)	(6.1)	(8.5)
Others	(3.3)	(2.9)	-	-	-
Cash flow from financing	2.6	5.9	15.6	(6.1)	(8.5)
Net cash flow	5.3	(10.7)	30.5	(6.8)	1.0
Net cash/(debt) b/f	13.4	18.7	8.0	38.4	31.6
Net cash/(debt) c/f	18.7	8.0	38.4	31.6	32.6
Key Ratios (YE 30 Nov)	FY23	FY24	FY25F	FY26F	FY27F
Revenue growth (%)	(51.0)	11.3	51.0	39.7	25.9
EBITDA growth (%)	(18.2)	120.7	(12.3)	69.5	36.2
Pretax margin (%)	5.1	10.3	7.8	10.0	11.0
Net profit margin (%)	3.4	7.6	5.9	7.6	8.4
Interest cover (x)	3.5	9.5	12.0	20.7	28.3
Effective tax rate (%)	33.8	26.6	24.0	24.0	24.0
Dividend payout (%)	-	30.0	30.0	30.0	30.0
Debtors turnover (days)	196	148	196	196	196
Stock turnover (days)	2	2	2	2	2
Creditors turnover (days)	266	283	266	266	266

Source: Company, AmlInvestment Bank Bhd estimates

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