



AmInvestment Bank

STOCK IDEA

Retail Research

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UUE HOLDINGS (UUE | 0310)

Last Price: RM0.765 | Technical Call: **BUY** | Target Price: RM0.93



Bursa Code: UUE, 0310	Support 1: RM0.72	Entry: RM0.72–0.765
Sector: Construction	Support 2: RM0.69	Target: RM0.85, RM0.93
Market Cap: RM465mil	Resistance 1: RM0.85	Exit: RM0.68
Shariah Compliant: Yes	Resistance 2: RM0.93	

Company Profile. UUE Holdings (UUE) is a one-stop underground utilities engineering solutions provider with a CIDB Grade G7 certification, covering building, civil, and mechanical & electrical engineering works. The group specialises in horizontal directional drilling (HDD) for pipe installation and also manufactures high-density polyethylene (HDPE) pipes to support its projects in Malaysia and Singapore. UUE employs open-cut and micro-trenching excavation methods, serving a diverse customer base across multiple industries. It is also registered with Tenaga Nasional Berhad (TNB), allowing it to supply directly to the national utility company.

Growth Strategies. (i) Expanding regionally across Peninsular Malaysia, with a focus on electricity supply and telecommunications projects. Recent contract wins have boosted UUE's total secured orders for 2025 to over RM260mil, lifting its order book to a record high of RM416mil and providing earnings visibility over the next 2 to 3 years. (ii) Enhancing underground utilities engineering capabilities through the acquisition of machinery to support ongoing projects and order book growth, while leveraging on a strong track record in executing TNB's grid upgrade initiatives to secure larger-scale contracts. (iii) Broadening underground utilities solutions in Singapore by capitalising on rising electricity infrastructure demand driven by population growth and land optimisation plans.

Financial Performance. In 4QFY25, UUE posted higher revenue of RM41.9mil (+20.4% YoY) with a PAT of RM3.4mil (+2.7x YoY). This was mainly driven by higher revenue from the underground utilities engineering solutions segment, improved gross profit margins, and the absence of one-off IPO expenses.

Valuation. UUE is currently trading at FY27F P/E of 10.2x, lower than the Bursa Construction Index's 18x. In comparison, MN Holdings — which provides infrastructure utilities construction services and solutions across the power, gas, sewerage, and telecommunications industries — trades at a slightly higher FY27F P/E of 11.2x.

Technical Analysis. UUE broke out of its 1-month bullish pennant pattern with a long positive candle a week ago, suggesting that its previous uptrend may have resumed. As the 20-day and 50-day EMAs have formed a bullish crossover since mid-May, the uptrend may persist in the near term. A bullish bias may emerge above the RM0.72 level, with a stop-loss set at RM0.68, below the 50-day EMA. On the upside, near-term resistance is seen at RM0.85, followed by RM0.93.

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