



13 AUG, 2025

## 'Outperform' call on UUE as margins remain resilient

New Straits Times, Malaysia



### TARGET PRICE OF RM1

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**KUALA LUMPUR:** UUE Holdings Bhd's margins remain resilient, underpinned by its vertically integrated model through in-house high-density polyethylene (HDPE) pipe manufacturing, according to Public Investment Bank Bhd (PublicInvest).

In a note yesterday, the firm said the company has demonstrated robust top-line and earnings momentum.

Revenue and profit after tax and minority interest (Patmi) recorded five-year compound annual growth rates (CAGR) of 34.6 per cent and 32.9 per cent, respectively, from financial years 2021 to 2025.

UUE is a fast-growing underground utilities specialist, focusing on mid-voltage cable laying, horizontal directional drilling and conduit installation across Malaysia and Singapore.

PublicInvest said backed by an all-time high order book of RM421.7 million and strong alignment with national grid en-

hancement programmes, the company is well positioned to capitalise on the rollout of Tenaga Nasional Bhd's Regulatory Period 4 and Singapore's energy infrastructure upgrades.

The firm also expects UUE to deliver a 24.3 per cent CAGR from financial years 2026 to 2028, supported by favourable industry tailwinds.

The firm has initiated coverage on UUE with an "outperform" call and a target price of RM1, pegged to a 16.4 times price-earnings multiple on calendar year 2026 forecast earnings per share of 6.09 sen.

Going forward, PublicInvest highlighted key risks for the company.

Project execution may be affected by uncertainties in permit approval timelines, especially in densely populated areas and during festive seasons, which can delay work commencement and impact progress billing.