



28 SEP, 2026

S'pore impetus likely for UUE Holdings bottom line

The Star, Malaysia



S'pore impetus likely for UUE Holdings bottom line

PETALING JAYA: Higher-margin Singapore projects are improving earnings visibility for UUE Holdings Bhd, prompting RHB Research to raise its target price while downgrading the stock following its 43% year-to-date (y-t-d) rally.

The research house said it had reinstated a 15% premium to peers, underpinned by UUE's superior margins and improving earnings visibility.

"The premium is backed by UUE's superior margins, a 28% compound annual growth rate (CAGR) in forecast earnings for financial year 2026 (FY26) to FY29, and improved near-term earnings visibility

from Singapore billings," it explained in a note.

However, RHB Research said the stock has limited upside after its recent gains.

"We believe near-term catalysts are priced in following the y-t-d share performance of 43%," it noted.

As a result, the research house downgraded UUE to "neutral" from "buy", although it raised the target price to 80 sen from 70 sen previously.

Meanwhile, RHB Research viewed UUE's latest Singapore contract wins positively, noting that such projects typically command higher gross profit margins (GPMs).

"Singapore jobs typically yield 30%-35% GPMs vs 15%-20% for Tenaga Nasional or TNB jobs," it said.

UUE has secured four horizontal directional drilling or HDD subcontracts worth a combined S\$9.3mil, or approximately RM29.8mil, for SP PowerAssets' 400kV power cable works.

The latest wins bring UUE's FY27 y-t-d contract wins to RM127.9mil.

About 72% of the RM29.8mil subcontract, equivalent to S\$6.7mil, is due for completion by December 2027, with the balance scheduled for completion by December 2028.