



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51,828.6	0.9	0.3	(3.2)	7.8
S&P 500	7,743.4	0.5	1.2	0.4	13.1
FTSE 100	10,695.3	0.1	0.3	(1.2)	7.7
AS30	8,845.6	(0.6)	(0.9)	(4.8)	(1.9)
CSI 300	4,439.2	(1.7)	(0.5)	(3.7)	(4.1)
FSSTI	5,711.1	0.5	1.0	0.2	22.9
HSCEI	8,165.8	(1.2)	(0.7)	(3.8)	(8.4)
HSI	24,510.1	(1.0)	(1.0)	(4.2)	(4.4)
JCI	6,241.9	(0.9)	(3.1)	(4.2)	(27.8)
KLCI	1,671.6	(0.0)	0.4	(3.1)	(0.5)
KOSPI	7,080.9	0.9	5.4	4.3	68.0
Nikkei 225	66,364.2	1.3	4.5	(0.1)	31.8
SET	1,607.6	0.3	1.5	1.2	27.6
TWSE	48,024.6	(0.3)	3.8	3.7	65.8
BDI	3,426	(1.4)	1.7	7.5	82.5
CPO (RM/mt)	4,574	0.1	(1.1)	(1.6)	16.3
Brent Crude (US\$/bbl)	106	1.9	5.9	19.0	74.7

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
New Economy Conference at The Ritz Carlton Hotel	Malaysia	07 Oct	07 Oct
NDR with Food Empire Holdings Ltd (FEH SP)	Malaysia	08 Oct	08 Oct
Small & Mid-Caps Corporate Day	Singapore	21 Oct	21 Oct

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Malaysia PMI Manufacturing	Malaysia	01 Oct
Foreign Reserves	Malaysia	07 Oct
Industrial Production	Malaysia	09 Oct
Manufacturing Sales	Malaysia	09 Oct

Top Stories

Company Update | Uzma (UZMA MK/BUY/RM0.37/Target:RM0.70)

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- We anticipate near-term earnings risk caused by largely industry-wide factors, including normalised seismic contracts, monsoon seasons, and contract novations related to Petronas asset ownership transfers, especially in Jul-Aug 26. Those jobs have begun resuming recently. The risks are mostly priced in as Uzma is trading at a PE of below 3x, and we remain optimistic on its longer-term growth, given that Uzma's asset-light and nimble business model could make it benefit from opportunities from Searah's creation. Retain BUY; target price: RM0.70.

Market Spotlight

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- The FBMKLCI closed flat at 1,671.62 (-0.69pt) last Friday.
- US stocks were higher after the close on Friday, as gains in the industrials, technology and healthcare sectors led shares higher.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook

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Traders' Corner

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Aemulus Holdings | AMLS MK

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- Trading Buy Range: RM0.445-0.45

Beshom Holdings | BESHOM MK

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- Trading Buy Range: RM0.565-0.57

Foundpac Group | FPG MK

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- Trading Buy Range: RM0.425-0.43

Uzma (UZMA MK)

Uzma Ver 4.0: Embracing Resilience In Growth

Highlights

- **Foundation for resilient growth established; near-term earnings risks largely priced in.** Uzma's evolution is a success story of its diversification as an energy and technology platform. While its next long-term growth will focus on resilience, we anticipate near-term earnings risk caused by largely industry-wide factors. Seismic contracts may see lower revenue due to dry docking works that were fortunately completed by end-Jul 26. However, on top of the anticipated monsoon season, we understand massive maintenance work suspensions had occurred due to Petronas' asset ownership transfers.
- **We Retain BUY with an adjusted RM0.70 target price (from RM0.76),** at an unchanged 8x PE. Despite cutting our near-term earnings forecasts, we believe the risks are mostly priced in, and advise investors to accumulate the shares which are trading at a forward PE of below 3x. We remain optimistic on its longer-term growth, given that Uzma's asset-light and nimble business model will likely make it benefit from opportunities from Searah's creation.

Analysis

- **The foundation for income diversification has been well established.** Uzma has evolved over 26 years from its founding in 2000 as an O&G service provider into a diversified energy and technology platform. Through its previous five-year plan, Uzma had been successful in diversifying into non-O&G ventures, building its base of in-house technology and assets that grant long-term income. These assets include water injection facilities (WIF) like MARSYA (first deployed in 2016) and SARA, and the flagship 50MW Large Scale Solar (LSS) project in Kedah.
- **The next growth is all about building resilience.** The second five-year plan effective 2026, appears to be a consolidation phase necessary for the group to resharpen and mature its growth engines to become independent, while continuing to build a higher long-term earnings mix and reoptimise its cost structure. Priority goals for FY27 include securing continuity, embracing operator transition, as well as margin preservation and deleveraging. On deleveraging, Uzma aims to restructure about RM100m of its RM816m loans with financing rates exceeding 7%, vs its blended interest rate of 3.7%.

Key Financials

Year to 30 Jun (RMm)	2025	2026	2027F	2028F	2029F
Net turnover	717	1,348	810	993	1,123
EBITDA	159	164	158	185	186
Operating profit	104	96	92	120	122
Net profit (rep./act.)	54	57	54	77	79
Net profit (adj.)	50	56	54	77	79
EPS (x)	8.8	9.3	8.9	12.8	13.1
PE (x)	4.2	4.0	4.2	2.9	2.8
P/B (x)	0.5	0.4	0.4	0.3	0.3
EV/EBITDA (x)	6.6	5.8	6.2	5.7	5.6
Dividend yield (%)	-	-	-	-	-
Net margin (%)	7.5	4.2	6.7	7.8	7.1
Net debt/(cash) to equity (%)	(127.6)	(103.6)	(107.2)	(109.4)	(99.8)
Consensus net profit	-	-	64	71	82
UOBKH/Consensus (x)	-	-	0.84	1.08	0.96

Source: Uzma, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	RM0.37
Target Price	RM0.70
Upside	+89.2%
Previous TP	RM0.76

Stock Data

Sector	Energy
Bloomberg ticker	UZMA MK
Shares issued (m)	607.4
Market cap (RMm)	227.8
Market cap (US\$m)	55.6
3-mth avg daily t'over (US\$m)	1.1

Price Performance (%)

52-week high/low			RM0.56/RM0.36	
1mth	3mth	6mth	1yr	YTD
(2.6)	(4.3)	(6.3)	(25.7)	(12.3)

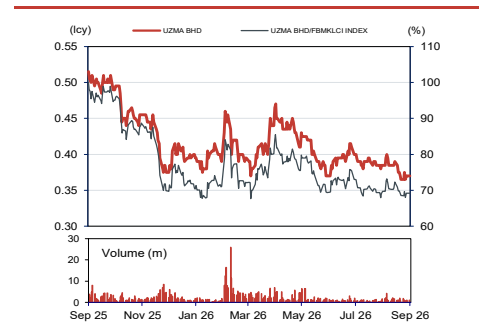
Major Shareholders (%)

Tenggiri Tuah	25.4
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Balance Sheet Metrics

FY27 NAV/Share (RM)	RM1.04
FY27 Net Debt/Share (RM)	n.m.

Price Chart



Source: Bloomberg

Company Description

Uzma is an oil & gas (O&G) company that provides integrated reservoir services to upstream players. Its core O&G business comprises of well services (WS) and production services (PS). Some of its prominent upstream services include WIF, hydraulic workover units (HWU) and coiled tubing units (CTU). The non-O&G business consists of 3 subsegments: a) new energy, b) energy trading and c) digital earth

- **O&G revenue and earnings may decline qoq...** Firstly, the seismic vessel PX Geo 2 had six weeks of dry docking works, during which management guided that there would be no revenue. According to channel checks, the Langkasuka 3D survey took seven months, implying that PX Geo 2 completed the job by mid-Jun 26. We assume the dry docking was completed by end Jul-26, with seismic and utilisation expected to recover to over 90% by late-1QFY27. Corroborating our assumption is the Malaysia Marine Department Notice to Seafarers, which notified that the vessel's seismic data acquisition campaign at the Batik 3D prospect area in PM448 Block (Kelantan) spans 1 Aug-21 Dec 26. In addition, some value-added works boost the seismic margins marginally relative to its previous one-year job.
- **...due to several industry-wide challenges.** However, 1HFY27 is a monsoon season. Also, echoing the views of other O&G service players, Uzma guided potential work order disruptions during the transition period related to Petronas Carigali's portfolio restructuring, which included the Searah Eni-Petronas JV, asset transfers to Enquest and Vestigo. We understand from channel checks that upstream maintenance contracts faced a certain degree of suspension in Jul-Aug 26, but has been gradually resuming from this month onwards.
- **Searah's creation sends a signal for industry transformation.** Unlike Eni's previous satellite models, Searah will mark Eni's first real test of whether an international oil major (Eni) and a national oil major (Petronas) Uzma had begun early engagements with the said clients to preserve awarded scopes and mobilisation readiness. For vendors, we believe sticking to the traditional contractor-principal model may be slowly falling out of favour vs vendors that can bring more to the table like capital and active coordination.
- **Non-O&G tenderbook surged 3.5x qoq in Jun 26.** Although orderbook declined slightly qoq from RM4.1b to RM3.7b, the non-O&G mix was roughly unchanged at 30%. However, bidbook surged from RM3.1b (non-O&G mix: 34%) to RM5.6b (non-O&G mix: 67%), driven entirely by the non-O&G side which nearly quadrupled to RM3.8b.
- For energy trading, Uzma is pursuing new third-party access natural gas contracts, whereby up to RM10b pipeline may be available for the market. For new energy, Uzma is keen to bid for all three LSS6 tender packages, but we reckon Package 2 is likely the best in terms of risk-reward. It is a Bumiputera open tender for 300MW of solar accompanied by 150MW of Battery Energy Storage System. For digital earth, we understand that negotiations for the national satellite concession are nearing conclusion in the near term.

Valuation/Recommendation

- **Retain BUY with an adjusted RM0.70 target price (from RM0.76), at an unchanged 8x PE.** We see value now as the O&G orderbook remains strong, although we think markets are pricing Uzma at a hefty discount to account for earnings and balance sheet risks, hence we advise a wait-and-see approach until earnings delivery and its long-term ESG investment themes (remote sensing satellite, Battery Energy Storage System, Solar) are translated into share price gains.

Earnings Revision/Risk

- **2027-29 earnings changed by -9%/+8%/+3% respectively.** We now assume almost one financial quarter of upstream work disruptions related to the aforementioned Petronas operatorship transfers. Our upgrades on longer-term earnings forecasts assume Uzma will benefit from opportunities arising from Searah's creation.

Evolution

Uzma 1.0 – Disruptor (2000-08)	Asset-light, Consultancy Listed on Bursa in 2008
Uzma 2.0 – Technology (2009-18)	Acquired technology, patents uzmAPRES, tracer, water injection Wireline, HWU, CTU 2016: First WIF deployed (MARSYA)
Uzma 3.0 – Diversified (2019-25)	New growth engines in non-O&G Sep 24: 50MW LSS4 COD Jan 25: UzmaSAT-1 launched
Uzma 4.0 – Second Five-Year Plan	Scale existing growth platforms Build/acquire/partner new venture Create multiple growth engines

Source: Uzma

Searah: Eni's First NOC-IOC Satellite

- Searah follows the blueprint of Eni's previous satellite model independent ventures, such as Var Energi in Norway, Azule Energy in Angola, and Ithaca Energy in the UK.
- The satellite model immediately enables Searah to start from a position of scale (pooling of assets with >300 boepd production, and growth targets to >500boepd) and uninterrupted funding. In addition, it may enable a secure monetisation of a joint development area in the disputed areas of Ambalat Block, between Malaysia and Indonesia
- The platform will turn fragmented portfolios into coordinated execution, prioritising energy security. Indonesia's portfolio offers significant growth potential while Malaysia's portfolio acts as a stable near-term cash flow generator.
- However, unlike the previous JV setups, Searah will mark Eni's first real test of whether an international oil major (IOC) and national oil major (NOC) can collaborate. This also entails a massive contract novation process.

Source: S&P Platts, Eni

Environmental, Social, Governance Updates (ESG)

- **Uzma's solar contribution to the nation.** The flagship Large Scale Solar 4 (LSS4) plant in Kedah, which achieved Commercial Operation Date on 25 Sep 24, today generates about 107 GWh of green electricity p.a., and carbon avoidance of 68,400-72,800 of CO2 emission p.a.
- **Responsible ecosystem.** New Energy unit Uzma Environergy's collaboration with Gentari for the rollout of rooftop solar panel systems for about 300 Petronas stations. This also marks a successful strategic collaboration with MARA to develop the expertise of local vendors in the renewable energy chain. Some of the local vendors benefitting under the MARA ProSolar Programme include Litar Abadi, YMB Solutions and Thursinar.

Profit & loss

Year to 30 Jun (RMm)	2026	2027F	2028F	2029F
Net turnover	1,348	810	993	1,123
EBITDA	164	158	185	186
Deprec. & amort.	(67.8)	(66.4)	(64.8)	(63.3)
EBIT	96	92	120	122
Total other non-op. income	60.8	0.0	0.0	0.0
Associate contributions	0.79	0.79	0.79	0.79
Net interest income/(expense)	(33.1)	(30.7)	(31.8)	(30.9)
Pre-tax profit	61	62	89	92
Tax	(3.4)	(6.8)	(10.6)	(11.9)
Minorities	(1.24)	(1.24)	(1.24)	(1.24)
Net profit	57	54	77	79
Net profit (adj.)	56	54	77	79

Cash Flow

Year to 30 Jun (RMm)	2026	2027F	2028F	2029F
Operating	1,469	1,335	1,615	1,594
Pre-tax profit	1,296	1,533	1,677	1,646
Tax	(254)	(349)	(382)	(374)
Deprec. & amort.	287	288	307	326
Associates	(3)	(3)	(4)	(4)
Working capital changes	81	(135)	16	1
Non-cash items				
Other operating cashflows				
Investing	(523)	(560)	(600)	(639)
Capex (growth)	(538)	(134)	(134)	(134)
Investment	(50)	(450)	(450)	(450)
Proceeds from sale of assets	64	24	(16)	(56)
Others				
Financing	(890)	(718)	(800)	(781)
Dividend payments	(752)	(886)	(969)	(950)
Proceeds from borrowings	50	409	409	409
Loan repayment	(225)	(150)	(150)	(150)
Others/interest paid	37	(91)	(91)	(91)
Net cash inflow (outflow)	55	57	215	174
Beginning cash & cash equivalent	729	784	841	1,056
Changes due to forex impact	48	0	0	0
Ending cash & cash equivalent	832	841	1,056	1,230

Balance Sheet

Year to 30 Jun (RMm)	2026	2027F	2028F	2029F
Fixed assets	1,636	1,560	1,476	1,385
Other LT assets	5,678	5,978	6,378	6,778
Cash/ST investment	832	841	1,056	1,230
Other current assets	473	467	490	492
Total assets	8,892	8,986	9,561	10,094
ST debt	937	797	835	838
Other current liabilities	225	150	151	152
LT debt	730	895	1,154	1,412
Other LT liabilities	404	404	404	404
Shareholders' equity	4,723	4,518	4,766	4,978
Minority interest	0	0	0	0
Total liabilities & equity	8,892	8,986	9,561	10,094

Key Metric

Year to 30 Jun (RMm)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	12.1	19.5	18.6	16.5
Pre-tax margin	4.5	7.7	9.0	8.2
Net margin	0.0	0.1	0.1	0.1
ROA	15.1	16.1	17.1	18.1
ROE	8.4	7.6	10.5	10.0

Growth (% yoy)

Turnover	12.1	19.5	18.6	16.5
EBITDA	4.5	7.7	9.0	8.2
Pre-tax profit	0.0	0.1	0.1	0.1
Net profit	15.1	16.1	17.1	18.1
Net profit (adj.)	8.4	7.6	10.5	10.0
EPS	12.1	19.5	18.6	16.5

Leverage

Debt to total capital	125.4	139.3	140.5	130.6
Debt to equity	(103.6)	(107.0)	(109.1)	(99.4)
Net debt/(cash) to equity	2.9	3.0	3.8	4.0
Interest cover (x)	(103.6)	(107.0)	(109.1)	(99.4)

Market Spotlight

Market News

The FBMKLCI closed flat at 1,671.62 (-0.69pt) last Friday. Meanwhile, Asian stocks mostly fell on Friday as a global bond selloff pushed long-term US Treasury yields to multi-year highs, weighing on risk appetite, while investors awaited details from talks between US President Donald Trump and Chinese President Xi Jinping. The FBMKLCI's top gainers were YTL Corporation (+2.1%), YTL power International (+1.6%) and Malayan Banking (+0.99%), while the top losers were Petronas Dagangan (-2.5%), Axiata Group (-2.4%) and Petronas Chemicals Group (-2.0%). In the broader market, losers outpaced gainers 590 to 575 with 534 counters unchanged. Turnover was 4.08b shares valued at RM2.69b.

US stocks were higher after the close on Friday, as gains in the industrials, technology and healthcare sectors led shares higher. At the close in NYSE, the Dow Jones Industrial Average added 0.93%, while the S&P 500 Index climbed 0.51%, and the NASDAQ Composite Index climbed 0.48%. Rising stocks outnumbered declining ones on the New York Stock Exchange by 1,485 to 1,202 and 112 ended unchanged; on the Nasdaq Stock Exchange, 1,761 fell and 1,623 advanced, while 217 ended unchanged. (*Sources: Investing.com*)

FBMKLCI, FCPO & FKLI Index Outlook

FBMKLCI



Source: UOBKH ChartGenie

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FTSE Bursa Malaysia KLCI

Last close: 1,671.62
Expected moving range: 1,665-1,700

Technical View:

Despite opening a tad higher, the FBMKLCI was unable to move up further and traded in a tight range of 1,666-1,676 last Friday, suggesting investors remained cautious on the uncertain market. From a technical perspective, the FBMKLCI's recent upward run was interrupted last Friday as profit-taking pared down early gains. We believe the index would trade sideways in the near term and the 1,665 level is a strong immediate support. The support and resistance levels are still maintained as follows:

Support: 1,665, 1,650

Resistance: 1,720, 1,755

FCPO



Source: TradingView

Futures Crude Palm Oil (FCPO) Active Contract, 1 Hour Chart

Technical BUY with +4.4% potential return

Trading BUY range: RM4,650-4,700
Last price: RM4,673
Target price: RM4,809, RM4,878
Support: RM4,621
Stop-loss: RM4,619

BUY with a target price of RM4,878 and stop-loss at RM4,619. Based on the chart, FCPO continue the bullish movement and closed at RM4,673 last Friday. This bullish movement is supported by an uptick in RSI and bullish crossover in both MACD and DMI indicators. We peg our targets at RM4,809 and RM4,878 in the near term.

Expected timeframe: One day to three days

FKLI



Source: TradingView

FTSE Bursa Malaysia KLCI Futures (FKLI), 1 Hour Chart

Technical SELL with -1.6% downside

Trading SELL range: 1,643-1,650
Last price: 1,661
Target price: 1,644, 1,634
Resistance: 1,684
Stop-loss: 1,685

SELL with a target price of 1,634 and stop-loss at 1,685. Based on the chart, FKLI continues the bearish movement and closed lower at 1,661 last Friday. This bearish movement is supported by the downtick in the RSI and bearish crossovers in both MACD and DMI indicators. We still maintained our targets at 1,644 and 1,634 in the near term.

Expected timeframe: One day to three days

Traders' Corner



Source: UOBKH ChartGenie

Analyst(s)

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Aemulus Holdings AMLS MK

Technical BUY on breakout with +22.5% potential return

Trading BUY range:	RM0.445-0.45
Last price:	RM0.425
Target price:	RM0.495, RM0.545
Support:	RM0.36
Stop-loss:	RM0.355

BUY on breakout with a target price of RM0.545 and stop-loss at RM0.355. Based on the daily chart, the stock has since consolidated and last Friday's closing places AMLS in new territory, suggesting renewed buying interest, which in our view will establish a new up-leg. This is supported by the MACD and the DMI, which are both currently on a bullish crossover. We peg our targets at RM0.495 and RM0.545 once the stock penetrates the breakout level of RM0.445 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Beshom Holdings BESHOM MK

Technical BUY on breakout with +23.0% potential return

Trading BUY range:	RM0.565-0.57
Last price:	RM0.56
Target price:	RM0.645, RM0.695
Support:	RM0.51
Stop-loss:	RM0.505

BUY on breakout with a target price of RM0.695 and stop-loss at RM0.505. The stock has consolidated within the immediate support of RM0.51 and last Friday's positive closing above the BBI sets a new tone for the short-term outlook. We expect BESHOM to continue to move upwards if it penetrates the breakout level of RM0.565. A bullish bias has been established following an uptick in the DMI. We peg our targets at RM0.645 and RM0.695 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Foundpac Group FPG MK

Technical BUY on breakout with +28.2% potential return

Trading BUY range:	RM0.425-0.43
Last price:	RM0.41
Target price:	RM0.495, RM0.545
Support:	RM0.375
Stop-loss:	RM0.37

BUY on breakout with a target price of RM0.545 and stop-loss at RM0.37. Based on the chart, share price has recovered gradually and moved above the 7- and 21-day EMAs, effectively reversing its sideways trend. This is supported by the rising RSI and DMI indicators, which indicate the positive momentum would strengthen in the near term. We expect FPG will continue moving up if it penetrates the breakout level of RM0.425.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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