Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51,711.7	(1.0)	(1.6)	0.1	7.6
S&P 500	7,408.3	(1.2)	(1.7)	0.6	8.2
FTSE 100	10,639.2	(0.7)	0.6	2.0	7.1
AS30	9,018.1	0.1	(0.2)	0.3	(0.0)
CSI 300	4,728.0	0.2	0.6	(3.9)	2.1
FSSTI	5,581.8	(0.2)	0.8	7.2	20.1
HSCEI	8,352.7	1.2	0.4	7.6	(6.3)
HSI	25,210.8	1.3	0.8	8.0	(1.6)
JCI	6,315.3	(0.3)	3.4	3.5	(27.0)
KLCI	1,714.6	0.2	(0.4)	2.1	2.1
KOSPI	7,096.9	4.4	4.1	(13.5)	68.4
Nikkei 225	66,422.6	0.5	(0.6)	(4.8)	31.9
SET	1,641.0	0.1	0.4	6.5	30.3
TWSE	44,850.8	0.1	(1.7)	(4.8)	54.9
BDI	2,725.0	0.4	(4.0)	2.2	45.2
CPO (RM/mt)	4,498.0	0.0	0.1	(1.4)	14.4
Brent Crude (US$/bbl)	100.7	7.0	19.5	30.6	65.5

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Hybrid Post-result Group Luncheon with Plover Bay Technologies Ltd (1523 HK)	Hong Kong	31 Jul	31 Jul
Virtual Meeting with i-Tail Corporation Public Company Limited (ITC TB)	Thailand	05 Aug	05 Aug

Corporate & Macro Calendar

Economic Indicator/Event	Country/Region	Date
PMI	Malaysia	3 Aug
Foreign Reserves	Malaysia	7 Aug
Industrial Production	Malaysia	11 Aug
Manufacturing Sales	Malaysia	11 Aug

Please click on the page number to move to the relevant page

Top Stories

Company Results | Alpha IVF Group (ALPHA MK/**BUY**/RM0.26/Target: RM0.33) Page 3

Earnings came in within expectations as regional operations saw increased contributions, supporting revenue growth. Gestating facilities against the absence of start-up costs incurred in the preceding quarter led to a partial recovery in margins. Maintain BUY as Alpha IVF offers exciting regional growth. Target price is unchanged at RM0.33.

Company Results | Pavilion REIT (PREIT MK/**BUY**/RM1.75/Target: RM2.10) Page 6

2Q26 results are within our expectations, with a dividend of 2.37 sen declared. Retail fundamentals remained healthy, with positive rental reversions and tenant sales, while management expects a better 3Q26 qoq amid improving occupancies, tourist footfall, and ongoing mid-year sales. Recurring electricity tariff savings provide an additional earnings and margin tailwind. Maintain BUY with an unchanged target price of RM2.10. PREIT currently offers a dividend yield of 5.9%/6.1% for 2026/27 respectively.

Company Results | Westports Holdings (WPRTS MK/**HOLD**/RM6.69/Target: RM6.50) Page 9

1Q26 profit and EBITDA missed expectations on sharper-than-expected decline in average DCR. The maiden asset-light rig approach from May 26 is positive, but not sufficient to alter a weaker 2Q26 outlook which will have more idle periods than initially expected. Our forecast adjustments after lowering DCR prompt 2026F DPS cuts by 12%, but the latter still offers a yield of 13%. We still like VEB's long-term strategy of asset-light approach and its ambitions to be technology leader. Retain HOLD, target price: RM6.50.

Market Spotlight

Page 12

- The FBMKLCI rose 3.22pt to close at 1,714.59 yesterday in a mixed trading day as a lack of domestic catalysts saw the index move in tandem with regional peers.
- US stocks were lower after the close on Thursday, as losses in the consumer goods, telecommunications and consumer services sectors led shares lower.

Technical Analysis

SNS Network Technology | SNS MK
Trading Buy Range: RM0.53-0.54

Theta Edge | THETA MK
Trading Buy Range: RM0.595-0.60

Thong Guan Industries | TGI MK
Trading Buy Range: RM1.51-1.52

Disclaimer: *In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.*

Alpha IVF Group (ALPHA MK)

4QFY26: Within Expectations As New Facilities Undergo Gestation

BUY (Maintained)

Share Price	RM0.26
Target Price	RM0.33
Upside	26.9%

Analyst
Philip Wong
philipwong@uobkh.com
+603 2147 1996

Highlights

- Earnings came in within expectations as regional operations saw increased contributions, supporting revenue growth.
- Gestating facilities against the absence of start-up costs incurred in the preceding quarter led to a partial recovery in margins.
- Maintain BUY as Alpha IVF offers exciting regional growth. Unchanged target price of RM0.33.

4QFY26 Results

Year to 31 May	4QFY26 (RMm)	qoq % chg	yoy % chg	FY26 (RMm)	yoy % chg	Comments
Revenue	**52.1**	**10.5**	**4.1**	**198.6**	**12.3**	Contributions from newly launched facilities aided growth.
GP	**31.4**	**11.9**	**2.5**	**119.0**	**11.0**	
EBITDA	**22.6**	**11.8**	**-3.6**	**85.5**	**3.0**	
PBT	19.4	14.5	-9.1	73.9	-3.0	
Profit	**13.9**	**14.1**	**-14.7**	**53.2**	**-9.1**	
Core PATAMI	**13.9**	**11.6**	**-13.5**	**53.6**	**-10.6**	Within expectations.
Margins	%	+/- ppt	+/- ppt	%	+/- ppt	
Gross Profit	60.3	0.8	-1.0	59.9	-0.7	
EBITDA	43.4	0.5	-3.5	43.0	-3.9	Margins see partial recovery following the absence of unmatched start-up costs.
Effective Tax Rate	-28.6	-0.2	-4.7	-27.9	-4.8	
Core Profit	26.7	0.3	-5.4	27.0	-6.9	

Source: Alpha IVF, UOB Kay Hian

Analysis

- **Within expectations.** Alpha IVF Group (Alpha IVF) registered a 4QFY26 core profit of RM13.9m (-13.5% yoy, 11.6% qoq). This brought FY26 core profit to RM53.6m (-10.6% yoy). This is within expectations, with earnings accounting for 100% and 101% of our and consensus full-year estimates respectively. Highlights for the quarter include improved contributions from Singapore and margins seeing a partial recovery following the gestation of newly launched IVF facilities amidst the absence of start-up costs incurred in the preceding quarter.

Key Financials

Year to 31 May (RMm)	2025	2026	2027F	2028F	2029F
Net turnover	176.8	198.6	253.7	321.2	421.8
EBITDA	79.3	79.5	98.9	125.3	161.7
Operating profit	70.8	69.5	88.0	112.3	147.5
Net profit (rep./act.)	57.4	53.6	65.6	86.4	108.8
Net profit (adj.)	57.4	53.6	65.6	86.4	108.8
EPS	1.2	1.1	1.4	1.8	2.2
PE	22.8	24.5	20.0	15.2	12.1
P/B	6.6	6.9	6.6	6.2	5.7
EV/EBITDA	14.7	14.9	12.1	9.6	7.3
Dividend yield	3.7	3.7	4.2	5.6	7.0
Net margin	32.5	27.0	25.9	26.9	25.8
Net debt/(cash) to equity	(78.7)	(70.8)	(61.0)	(57.5)	(63.7)
Interest cover	73.2	49.6	n.a	n.a	n.a
ROE	26.9	25.6	30.6	39.2	47.5
Consensus net profit			59.2	77.9	97.8
UOBKH/Consensus (x)			0.9	0.8	0.9

Source: Alpha IVF, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Healthcare
Bloomberg ticker	ALPHA MK
Shares issued (m)	4,860.0
Market cap (RMm)	1,457.6
Market cap (US$m)	359.2
3-mth avg daily t'over (US$m)	0.3

Price Performance (%)

52-week high/low RM0.34/RM0.27

1mth	3mth	6mth	1yr	YTD
2.0	(3.3)	(12.6)	(8.9)	(15.0)

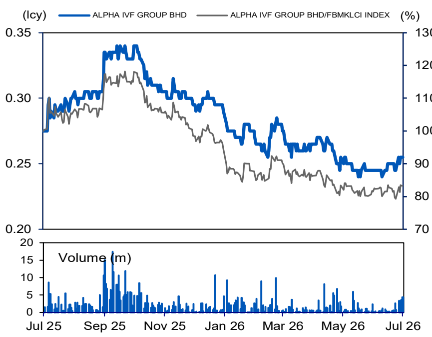
Major Shareholders

	%
Dato' Dr. Lee Soon Soo	43.2

Balance Sheet Metrics

FY27 NAV/Share (RM)	0.04
FY27 Net Debt/Share (RM)	0.02

Price Chart



Source: Bloomberg

Company Description

Renowned fertility treatment provider with fertility centres in the ASEAN region, set up and operated by leading doctors and embryologists responsible for numerous fertility achievements both in the region and worldwide.

- **Growth off increased regional contributions.** 4QFY26 revenue grew by 4.1% yoy. This is attributed to: a) gestation of IVF centres in Sabah, Malaysia and Manila, the Philippines, both of which were launched in the preceding quarter, and b) increased contributions from its Singapore operations. It was partially offset by subdued Indonesian patient volumes following the weaker Indonesian rupiah vis-à-vis the ringgit, higher flight cost and SST implementation on foreign patients.
- **Margins see some sequential recovery.** Gross margin improved sequentially by 0.8ppt (-1.0ppt yoy) to 60.3% due to the SST now being equally borne by its China intermediaries. EBITDA margins improved by 0.5ppt qoq, partially reversing the margin dilution in the preceding quarter that was attributed to start-up cost for its new IVF facilities then (Sabah and Manila). We gather that its IVF facility in Manila, the Philippines has turned profitable. Increased depreciation and effective tax rate (+4.7ppt yoy to 28.6%) moderated core margin to 26.7% or -5.4ppt yoy (+0.3% qoq).
- **Three upcoming facilities by year end.** Going forward, three new IVF facilities are due to commence operations by the end of the year. These are in Johor, Malaysia, Tugegarao, the Philippines and Jakarta, Indonesia. In addition, Alpha IVF recently raised its stake in its Singapore subsidiary, AIWSS, to 96.5% from 76.5% through a RM3.6m rights subscription funded internally. It reflects well on management's confidence in turning around its Singapore operations.

Valuation/Recommendation

- **Maintain BUY and target price of RM0.33**. External headwinds have coincided with the ramp-up of new facilities that would initially incur start-up costs, weighing on the immediate financial performance. However, Alpha IVF's fundamental prospects are firmly intact as the new additional facilities widen its footprint across the region and materially expand the group's presence, up from a low base of just four existing IVF centres. Our target price is based on a PE peg of 24x, in line with Alpha IVF's regional IVF peers.

Earnings Revision/Risk

- No changes to earnings.
- Key downside risks are execution of new facilities, reputation risk, and key personnel concentration risk.

Key Assumptions

	FY27F	FY28F	FY29F
Revenue (RMm)	**253.7**	**321.2**	**421.8**
Growth yoy (%)	27.7	26.6	31.3
Number of OPU			
Existing Centre OPU	3,104	3,135	3,167
Growth yoy (%)	2.0	1.0	1.0
New Centres OPU	1,656	2,906	4,980
Growth yoy (%)	173	75	71
Total OPU	4,760	6,041	8,147
Growth yoy (%)	30.4	26.9	34.8
Blended Revenue per OPU (RM'000)			
Growth yoy (%)	-3.2	-0.2	-2.6

Source: UOB Kay Hian

Growth And Margin Outlook

	FY27F	FY28F	FY29F
Revenue (RMm)	**253.7**	**321.2**	**421.8**
Growth yoy (%)	27.7	26.6	31.3
EBITDA (RMm)	**104.5**	**131.0**	**167.4**
Growth yoy (%)	22.3	25.3	27.8
Core PATAMI (RMm)	**65.6**	**86.4**	**108.8**
Growth yoy (%)	22.4	31.7	25.8
EBITDA Margin (%)	46.7	40.8	39.7
Core PATAMI Margin (%)	29.3	26.9	25.8

Source: UOB Kay Hian

Environmental, Social, Governance (ESG)

Environmental

- **Energy efficiency.** Implements energy-efficient equipment and practices to reduce energy consumption within the centres.
- **Waste management.** Implements responsible waste management including proper disposal of medical waste and recycling initiatives.

Social

- **Ethical practices.** Adheres to ethical and transparent practices in patient interactions, including informed consent, privacy protection and responsible handling of genetic information.
- **Diversity & inclusion.** Fosters a diverse and inclusive work environment, ensuring that all patients and employees are treated with respect and dignity.

Governance

- **Board oversight.** Ensures that the board of directors or governing body provides effective oversight of the IVF centres' operations, including ESG strategies and performance.

Profit & Loss

Year to 31 May (RMm)	2026	2027F	2028F	2029F
Net turnover	**199**	**254**	**321**	**422**
EBITDA	80	99	125	162
Deprec. & amort.	10	11	13	14
EBIT	70	88	112	147
Total other non-operating income	6	6	6	6
Associate contributions	0	0	0	0
Net interest income/(expense)	(2)	0	0	0
Pre-tax profit	**74**	**94**	**118**	**153**
Tax	(21)	(26)	(28)	(37)
Minorities	0	(2)	(3)	(8)
Net profit	**54**	**66**	**86**	**109**
Net profit (adj.)	54	66	86	109

Balance Sheet

Year to 31 May (RMm)	2026	2027F	2028F	2029F
Fixed assets	76	74	86	82
Other LT assets	31	47	47	47
Cash/ST investment	134	122	122	146
Other current assets	14	12	16	20
Total assets	**255**	**255**	**271**	**295**
ST debt	0	0	0	0
Other current liabilities	28	37	38	39
LT debt	0	0	0	0
Other LT liabilities	32	11	9	8
Shareholders' equity	190	200	213	229
Minority interest	6	8	11	19
Total liabilities & equity	**255**	**255**	**271**	**295**

Cash Flow

Year to 31 May (RMm)	2026	2027F	2028F	2029F
Operating	**67**	**72**	**97**	**112**
Pre-tax profit	74	94	118	153
Tax	(21)	(26)	(28)	(37)
Deprec. & amort.	10	11	13	14
Associates	0	0	0	0
Working capital changes	5	(4)	(2)	(3)
Other operating cashflows	(2)	(3)	(3)	(15)
Investing	**(24)**	**(27)**	**(22)**	**5**
Capex (growth)	(27)	(30)	(25)	(10)
Investments	(6)	0	0	0
Proceeds from sale of assets	0	0	0	0
Others	9	3	3	15
Financing	**(64)**	**(57)**	**(75)**	**(94)**
Dividend payments	(49)	(56)	(73)	(92)
Issue of shares	0	0	0	0
Proceeds from borrowings	0	0	0	0
Loan repayment	0	0	0	0
Others/interest paid	(16)	(2)	(1)	(1)
Net cash inflow (outflow)	**(22)**	**(13)**	**1**	**24**
Beginning cash & cash equivalent	**156**	**134**	**122**	**122**
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	**134**	**122**	**122**	**146**

Key Metrics

Year to 31 May (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	40.0	39.0	39.0	38.3
Pre-tax margin	37.2	36.9	36.7	36.3
Net margin	27.0	25.9	26.9	25.8
ROA	19.5	23.9	30.6	36.9
ROE	25.6	30.6	39.2	47.5
Growth				
Turnover	12.3	27.7	26.6	31.3
EBITDA	(0.3)	22.3	25.3	27.8
Pre-tax profit	(3.0)	26.8	26.0	29.8
Net profit	(9.1)	26.8	32.8	29.8
Net profit (adj.)	(9.1)	26.8	32.8	29.8
EPS	(9.1)	26.8	32.8	29.8
Leverage				
Debt to total capital	0.0	0.0	0.0	0.0
Debt to equity	0.0	0.0	0.0	0.0
Net debt/(cash) to equity	(70.8)	(61.0)	(57.5)	(63.7)

Pavilion REIT (PREIT MK)

2Q26: In Line; Improving Occupancies Towards Year-End

BUY (Maintained)	
Share Price	RM1.75
Target Price	RM2.10
Upside	20.0%

Analyst(s)
Ng Jo Yee
joyee@uobkh.com
+603 2147 1984

Highlights

- 2Q26 results are within our expectations, with a dividend of 2.37 sen declared.
- Retail fundamentals remained healthy, with positive rental reversions and tenant sales, while management expects a better 3Q26 qoq amid improving occupancies, tourist footfall, and ongoing mid-year sales. Recurring electricity tariff savings provide an additional earnings and margin tailwind.
- Maintain BUY with an unchanged target price of RM2.10. PREIT currently offers a dividend yield of 5.9%/6.1% for 2026/27 respectively.

2Q26 Results

Year to 31 Dec	2Q26 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg
Revenue	221.0	(10.1)	3.6	466.9	5.8
Property Expenses	(78.7)	(9.5)	(5.7)	(165.7)	(1.9)
Net Property Income (NPI)	142.3	(10.5)	9.6	301.2	10.5
Other Income	3.7	(13.0)	0.7	8.0	0.4
Trust Expenses	(13.7)	0.2	18.1	(27.4)	18.2
Finance Costs	(43.3)	(1.1)	(0.0)	(87.0)	(1.5)
Core Net Profit	89.0	(15.8)	13.2	194.8	15.2
EPU (sen)	2.27	(15.8)	13.0	5.0	10.9
DPU (sen)	2.37	(15.4)	3.5	5.2	4.0
Margins	%	+/- ppt	+/- ppt	%	+/- ppt
NPI	64.4	(0.3)	3.5	64.5	2.8
Core Net Profit	40.3	(2.7)	3.4	41.7	3.4

Source: PREIT, UOB Kay Hian

Analysis

- **Within expectations.** Pavilion REIT (PREIT) reported 2Q26 revenue of RM221m (-10% qoq, +4% yoy) and core net profit of RM89m (-16% qoq, +13% yoy). This brings 1H26 core net profit to RM195m (+15% yoy), which is in line and represents 50% and 49% of our and consensus full-year estimates respectively. Average cost of debt was flat qoq at 4.3% p.a..
- A dividend of 2.37 sen was declared for 2Q26 (+4% yoy), bringing 1H26 DPU to 5.17 sen, and representing 50% of our and consensus full-year forecasts. 1H26 DPU implies an annualised yield of 5.9%.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	845.9	901.5	962.0	1,001.5	1,042.8
Operating profit	477.3	517.9	556.0	571.5	602.7
Net profit (rep./act.)	409.9	466.9	386.8	409.5	442.7
Net profit (adj.)	310.0	359.5	386.8	409.5	442.7
EPU (sen)	8.5	9.2	9.6	9.9	10.5
DPU (sen)	9.3	10.0	10.4	10.7	11.3
PE (x)	20.7	19.1	18.2	17.6	16.7
P/B (x)	1.3	1.3	1.3	1.3	1.4
DPU Yld (%)	5.3	5.7	5.9	6.1	6.4
Net margin (%)	36.6	39.9	40.2	40.9	42.5
Net debt/(cash) to asset (%)	30.9	33.3	29.4	29.9	30.3
Interest cover (x)	2.9	3.3	3.3	3.5	3.8
Consensus DPU (sen)			10.3	11.0	11.2
UOBKH/Consensus (x)	-		1.0	1.0	1.0

Source: PREIT, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Real Estate
Bloomberg ticker	PREIT MK
Shares issued (m)	3,928.0
Market cap (RMm)	6,952.5
Market cap (US$m)	1,707.1
3-mth avg daily t'over (US$m)	1.3

Price Performance (%)

52-week high/low RM2.03/RM1.56

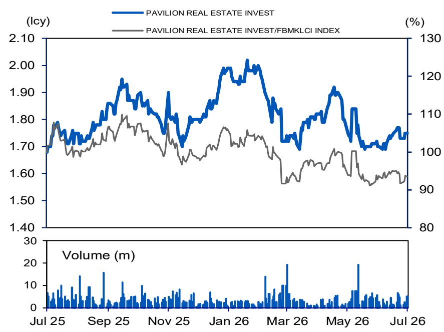
1mth	3mth	6mth	1yr	YTD
4.1	0.0	(6.3)	3.5	(2.2)

Major Shareholders	%
Qatar Investment Authority	25.7
Lim Siew Choon	21.5
Employees Provident Fund	12.6

Balance Sheet Metrics

FY26 NAV/Share (RM)	1.1
FY26 Net Debt/Share (RM)	1.0

Price Chart



Source: Bloomberg

Company Description

Pavilion REIT is a real estate investment trust. Its portfolio includes the iconic Pavilion Shopping Mall and the Pavilion Office Tower.

- **Retail fundamentals remained healthy.** Rental reversions remained positive in 1H26 at 5-6% for Pavilion Kuala Lumpur (PKL) and 4% for Pavilion Bukit Jalil (PBJ). Footfall at PKL was broadly flattish yoy in 2Q26, partly affected by road closures during the three-day water music festival at Bukit Bintang, while PBJ recorded a 10% yoy increase. Tenant sales remained positive yoy in May 26, rising 3-4% at PKL and 5-6% at PBJ. In 2Q26, utilities expenses declined to RM14m (-31% qoq; -41% yoy), partly due to PKL's migration to a more favourable commercial tariff. Looking ahead, management expects consumer spending to improve qoq in 3Q26, supported by mid-year sales and VMY26 campaigns targeting nearby regional markets. The revised tariff, which is tied to committed electricity usage during specified periods, is expected to generate recurring savings of RM300,000-400,000 per month (~RM1m per quarter).
- **Phased reconfiguration to refresh PKL ahead of the mall's 20th anniversary in 2027.** PKL reported 2Q26 revenue of RM120m (-3% yoy) and NPI of RM85m (+1% yoy). The mall's occupancy rate was lower at 90.9%, mainly due to the ongoing reconfiguration of 68,000sf Parkson Elite Level 3 into 37 multi-tenanted fashion and F&B lots. Management has secured tenants for >50% of the new space, with the remainder under negotiation, and expects the space to commence operations at 80-90% occupancy in the first week of Nov 26. Overall mall occupancy is forecast to normalise to 95-96% by end-26, and we project that the AEIs will contribute about 2% to 2027 earnings. Management is also planning two subsequent AEI phases involving around 15,000sf and 10,000sf, aimed at introducing more international flagship stores.
- **Stronger suburban mall performance.** PBJ reported stronger revenue of RM61m (+5% yoy) and NPI of RM35m (+14% yoy), with occupancy improving to 93.9% in 2Q26 (vs 1Q26/2Q25: 93.4%/90.1% respectively). Pavilion Elite posted stable revenue of RM19m (-1% yoy) and NPI of RM10m (+5% yoy), with occupancy expected to improve to 95-96% by Oct 26 (vs 94.8% as of end 2Q26). PREIT is forecast to benefit from profit sharing under the master lease at Easyhome mall @ Da Men by year-end, as retail occupancy is guided to reach 80-85% by 4Q26.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of RM2.10.** Our DDM-based target price implies a dividend yield of 4.9% for 2026 and 5.1% for 2027 (vs 10-year mean of 5.4%). PREIT is poised to benefit from the extended Visit Malaysia Year, ongoing AEIs and tenant remixing at Pavilion KL to keep up with the changing demand. It currently offers a 12-month forward yield spread of 237bp, higher than the 10-year historical mean of 169bp.

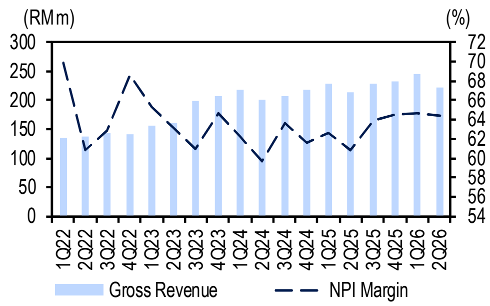
Earnings Revision/Risk

- No earnings revision.

Environment, Social, Governance (ESG) Updates

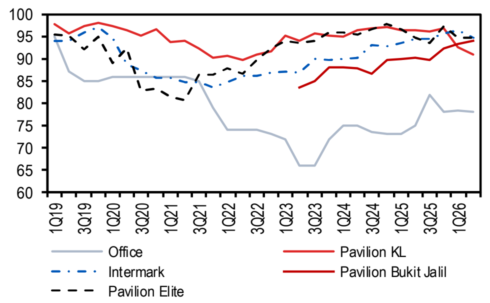
- **Environment** – Pavilion KL secured 20% of renewable energy from Tenaga Nasional to date.
- **Social** – PREIT hosts over 500 events annually at its properties.
- **Governance** – Put in place an Anti-Bribery & Corruption policy.

Revenue And NPI Margin



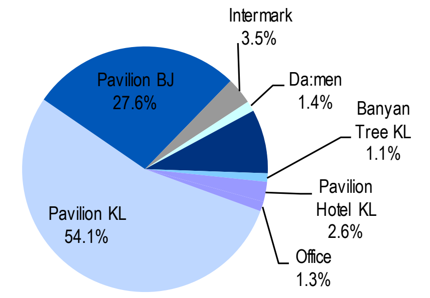
Source: PREIT, UOB Kay Hian

Occupancy Trend



Source: PREIT, UOB Kay Hian

Revenue Breakdown (2Q26)



Source: PREIT, UOB Kay Hian

12-month Forward Yield Spread To MGS

Source: PREIT, Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**901**	**962**	**1,002**	**1,043**
EBITDA	519	557	573	604
Deprec. & amort.	1	1	1	1
EBIT	518	556	572	603
Associate contributions	0	0	0	0
Net interest income/(expense)	(158)	(169)	(162)	(160)
Pre-tax profit	**467**	**387**	**410**	**443**
Tax	0	0	0	0
Minorities	0	0	0	0
Net profit	**467**	**387**	**410**	**443**
Net profit (adj.)	360	387	410	443

Balance Sheet

Year to 31 Dec (RMm)	2025	2026	2027	2028
Fixed assets	9,095	9,114	9,132	9,151
Other LT assets	4	4	4	4
Cash/ST investment	666	951	919	885
Other current assets	64	121	125	128
Total assets	**9,829**	**10,190**	**10,180**	**10,168**
ST debt	1,073	1,073	1,073	1,073
Other current liabilities	305	687	715	745
LT debt	2,863	2,874	2,885	2,896
Other LT liabilities	95	80	48	14
Shareholders' equity	5,491	5,475	5,458	5,440
Minority interest	0	0	0	0
Total liabilities & equity	**9,829**	**10,190**	**10,180**	**10,168**

Cash Flow

Year to 31 Dec (RMm)	2025	2026	2027	2028
Operating	**569**	**932**	**597**	**630**
Pre-tax profit	467	387	410	443
Tax	0	0	0	0
Deprec. & amort.	1	1	1	1
Associates	0	0	0	0
Working capital changes	45	375	25	26
Other operating cashflows	56	169	162	160
Investing	**(850)**	**(20)**	**(20)**	**(20)**
Capex (growth)	(2)	(20)	(20)	(20)
Investments	(860)	0	0	0
Others	12	0	0	0
Financing	**373**	**(589)**	**(609)**	**(644)**
Distribution to unitholders	(359)	(418)	(442)	(477)
Issue of shares	360	0	0	0
Proceeds from borrowings	725	11	11	11
Loan repayment	(181)	0	0	0
Others/interest paid	(172)	(182)	(178)	(179)
Net cash inflow (outflow)	**91**	**323**	**(32)**	**(34)**
Beginning cash & cash equivalent	**536**	**628**	**951**	**919**
Changes due to forex impact	38	0	0	0
Ending cash & cash equivalent	**666**	**951**	**919**	**885**

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	57.5	57.9	57.2	57.9
Pre-tax margin	51.8	40.2	40.9	42.5
Net margin	51.8	40.2	40.9	42.5
ROA	4.6	4.9	5.2	5.6
ROE	7.6	8.2	8.7	9.4
Growth				
Turnover	6.6	6.7	4.1	4.1
EBITDA	8.5	7.5	2.8	5.4
Pre-tax profit	8.5	7.4	2.8	5.5
Net profit	13.9	(17.2)	5.9	8.1
Net profit (adj.)	16.0	7.6	5.9	8.1
EPU	8.2	4.9	3.3	5.5
Leverage				
Debt to total capital	71.7	72.1	72.5	73.0
Debt to equity	71.7	72.1	72.5	73.0
Net debt/(cash) to asset	33.3	29.4	29.9	30.3
Interest cover (x)	3.3	3.3	3.5	3.8

Westports Holdings (WPRTS MK)

2Q26: VAS Thrives Again

HOLD (Maintained)	
Share Price	RM6.69
Target Price	RM6.50
Upside	-2.8%
Previous TP	RM6.10

Analyst(s)
Kong Ho Meng
homeng@uobkh.com
+603 2147 1987

Highlights

- **VAS and container yields positively contributed to Westports Holdings' (WPRTS) result beat, two quarters in a row.** VAS surged to an all-time high, driven by higher storage charges coinciding with longer CDT, especially for long-lead containers like e-waste cargoes. Excluding these, container yields also expanded quicker than implied due to the new tariff (second phase effective Jan 26). These more than offset rising fuel costs, which materialised in Mar 26 onwards, but appear to have tapered down.
- **Rising yard congestion in July 26 is manageable, and we now assume gradual normalisation of VAS.** Channel checks indicated that yard congestion spiked again in Jul 26 to 90-95% levels, but we believe management has taken measures to make it manageable. We upgrade our earnings/EBITDA forecasts by up to 6% respectively, as we now assume a more gradual pace of VAS normalisation. Maintain HOLD with a higher target price of RM6.50.

2Q26 Results

Year to 31 Dec	2Q26 (RMm)	qoq % chg	yoy % chg	YTD2026 (RMm)	yoy % chg	Remarks (2Q26 comparison)
Operating Revenue	**866.9**	**(3.3)**	**25.4**	**1,763.2**	**34.3**	**qoq/yoy volume growth: +7%/-1%**
- Container	689.0	8.8	34.8	1,323.0	31.9	qoq/yoy transhipment growth: +4%/-6%
- Conventional	54.0	(1.8)	50.0	109.0	49.3	qoq/yoy gateway growth: +11%/+5%
EBIT	**496.6**	**9.8**	**54.4**	**948.9**	**49.1**	**qoq/yoy yield growth: +9%/+35%,** this is
Operating margin	57.3%	6.8%	10.8%	53.8%	5.3%	due to 15%/10% tariff hike eff July 25/Jan 26
Net finance cost	(25.7)	(2.5)	11.3	(52.1)	12.8	2Q26 VAS mix:30.7% (2Q25: 22.5%)
JV/associates	0.4	(39.0)	(81.4)	1.0	(65.1)	2Q26 CDT:20 days (1Q26/2Q25: 20/15)
PBT	471.3	10.5	56.8	897.8	51.4	Yard density:70% (1Q26/2Q25: 81%/87%)
Tax	(110.4)	10.4	60.2	(210.4)	51.5	
Net Profit	360.9	10.5	55.8	687.4	51.4	Exceptional items: RM1.2m disposal gain of
Core Profit	**355.5**	**7.5**	**53.1**	**686.1**	**50.9**	assets, RM4.1m of reversal of impairment

Source: WPRTS, UOB Kay Hian

Analysis

- **2Q26 beat our/consensus expectations for the second quarter in a row,** comprising 58% of our/consensus forecasts. The positive deviations were, again, higher-than-expected VAS and container yields, similar to 1Q26. For the first time, quarterly VAS breached above the RM0.2b mark, closing at RM212m, comprising 30.7% of container revenue. The VAS mix is also an all-time high, superseding the 29% mix in 4Q25 (a COVID-19 related period, as the group continues to benefit from high storage charges. Even without VAS, we find that pure container yields expanded by 5%/20% qoq/yoy, which is consistent with the second phase of tariff hike of 10% effective 1 Jan 26 (15% hike was eff July 25), and supported by a strong recovery in gateway volumes.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	2,281	2,552	2,992	3,110	3,115
EBITDA	1,449	1,690	2,023	2,147	2,144
Operating profit	1,194	1,403	1,734	1,840	1,818
Net profit (rep./act.)	898	1,002	1,258	1,333	1,304
Net profit (adj.)	893	1,010	1,258	1,333	1,304
EPS	26.2	29.6	36.9	39.1	38.2
PE	25.5	22.6	18.1	17.1	17.5
P/B	6.0	5.5	5.1	4.7	4.4
EV/EBITDA	13.8	11.9	10.4	9.5	9.5
Dividend yield	3.0	3.3	4.1	4.4	4.3
Net margin	30.5	32.1	38.4	38.7	36.1
Net debt/(cash) to equity	7.8	2.9	4.6	5.2	6.5
Interest cover	26.0	16.5	18.5	18.2	16.1
ROE	30.4	32.4	36.2	37.8	35.4
Consensus net profit	-	-	1,189	1,267	1,305
UOBKH/Consensus (x)	-	-	1.06	1.05	1.00

Source: WPRTS, UOB Kay Hian

Stock Data

GICS Sector	Industrials
Bloomberg ticker	WPRTS MK
Shares issued (m)	3,422.03
Market cap (RMm)	22,990.07
Market cap (US$m)	5,621.01
3-mth avg daily t'over (US$m)	4.03

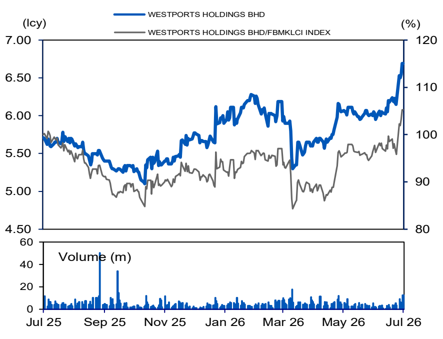
Price Performance (%)

52-week high/low				RM6.78/RM5.05
1mth	3mth	6mth	1yr	YTD
11.5	19.2	13.4	17.6	18.0

Major Shareholders

	%
Gnanalingam Family	45.5
SouthPort	23.6
EPF	6.1

Price Chart



Source: Bloomberg

Company Description

An integrated facility situated at Port Klang, Malaysia's premier port. It offers container-handling services, whereby volumes are in the TEUs. WPRTS also offers VAS supporting container handling. VAS services include storage, reefer, container freight, and removal. WP2 expansion will nearly double its capacity to 28m TEUs, covering CT10-17.
Since 1Q26, WPRTS stopped disclosing TEUs by trade lanes, and started disclosing CDTs and yard occupancy/density instead. CDT is defined for only outbound transhipment and gateway (export-only) boxes.

- **Yield boost continued to more than offset lacklustre volume growth…** YTD volume growth was similar to that of 1Q26's, remaining at -1%. A key contrast vs 1Q26 was the strong rebound in gateway cargoes, while the decline in transshipment volume can be mostly attributed to the loss of Middle East TEUs, which fell by 24% yoy in 2Q26. As a reference, Middle East TEUs comprised 6.5% of (WPRTS) 2025 volume, of which 67% was transhipment.
- **…and fuel costs hike.** Unlike 1Q26 (where fuel consumption declined by 5% yoy), 2Q26 fuel consumption grew by 3% relative to -1% volume growth. The unsubsidised industrial diesel tracks Means of Platts Singapore (MOPS), which surged by 32% qoq to US$160, exactly as per our prediction in our 1Q26 results note. WPRTS further disclosed the actual diesel cost/litre realised in 2Q26 was RM4.47, over 70% higher vs the base diesel cost/litre of RM2.60 that WPRTS benchmarked when evaluating its diesel trucks.
- **CDT (and VAS normalisation) at a more gradual pace.** Despite various measures to limit over-storage of boxes in order to keep yard congestion at a healthy 70-80%, WPRTS' CDT remained high at 20 days (similar qoq). To recap, this CDT is heavily skewed towards e-waste containers, while the outbound TEU's CDT was only eight days, as e-waste containers can be stored for years before being repatriated to their countries of origin, despite being few in number. The government's Malaysian Border Control and Protection Agency (MCBA) had an initial target of repatriating 150 containers by May 26 (out of 803 e-waste containers subject to such enforcement action), but the enforcement returned only 143 containers successfully by 7 July 26.
- **Jul 26 container volume charting 7-8% growth, and a rebound in yard congestion.** While the volume data is promising (vs WPRTS' unchanged volume guidance of being similar to 2025, ie <5%), we believe the surge in container demand coinciding with rising port congestion factors (vessel bunching in the region) is causing WPRTS' yard density to surge to 91% in Jul 26. This coincides with findings by consultant myKN on Port Klang in Jul 26 (see RHS table). WPRTS also confirms the need to reschedule a planned dredging maintenance from late-Jul to Aug 26, in anticipation of higher vessel demand. However, we understand the rescheduling decision is strategic, as the new total ground slots will begin operations by end-Jul 26.
- **ESG update: 60 E-trucks delivery by Jul/Aug 26 on track, and meant to replace ageing fleet.** We were guided that the E-trucks, which will help decarbonise WPRTS' operations and at the same time reduce expensive fuel consumption, are also intended to rejuvenate WPRTS' existing fleet of 602 terminal tractors by replacing the ageing diesel trucks. Based on the latest economics (despite the E-trucks being a new technology), WPRTS deems that the E-trucks project economics have surpassed the viability vs ordering a new replacement diesel truck, even when WPRTS based the decision on using a diesel cost per litre of RM2.60.

Valuation/Recommendation

- **Maintain HOLD, SOTP target price adjusted to RM6.50 (from RM6.10).** Premised on DCF until the 2070 horizon (ie partial WPRTS 2 expansion), this implies unchanged 18x 2026F PE and 11x EV/EBITDA. WPRTS' unique position as the only listed local stock with exposure to ports, a sector which generally benefits from trade tension that leads to structural change in ports, and benefits from tariff hikes. Despite the earnings upgrades, we continue to see these being fully priced in at least until the 2028 horizon, when the new capacity addition, ie WPRTS 2, will become operational.

Earnings Revision/Risk

- **Upgrade 2026-28F earnings by 6%/3%/3%.** While we retain our volume growth assumptions of 2%/5%/3%, we upgrade the VAS income forecast from RM732m/RM696m/RM619m to RM841m/RM752m/RM669m. Our EBITDA is upgraded by 2-5% respectively.
- **Risks.** Drewry opines that if the Hormuz crisis prolongs and creates a scenario of demand destruction, or a scenario of massive vessel layups due to running out of fuel, potentially global container growth may be 0%.

COGS Breakdown

Cost RM million	2Q26	2Q25	% YoY	% Split
Op. Workforce	84	78	7%	34.8%
Depreciation	57	35	63%	23.8%
Fuel	48	48	1%	20.0%
M&R	26	23	9%	10.6%
Electricity	9	14	-37%	3.6%
Others	17	14	23%	7.1%
Op. Cost^	**241**	**212**	**13%**	**100%**

Source: WPRTS

VAS To Container Revenue Mix (%)

Revenue/Income	2011	2023	2024	2025
Container (RMm)	914.7	1,805.0	1,950.0	2,122.0
VAS (RMm)	98.9	318.4	434.9	511.4
VAS Mix (%)	10	17.6	22.3	24.1
	4Q21	**1Q22**	**2Q23**	**2Q24**
Container (RMm)	434	452	452	470
VAS (RMm)	121.5	126.7	83.2	104.1
VAS Mix (%)	29	28	18	22
	3Q24	**4Q24**	**1Q25**	**2Q25**
Container (RMm)	488	511	493	511
VAS (RMm)	120.0	127.8	108.5	117.5
VAS Mix (%)	24.6	25	22.2	23
	3Q25	**4Q25**	**1Q26**	**2Q26**
Container (RMm)	552	566	633	689
VAS (RMm)	138.0	146.4	0	211.5
VAS Mix (%)	25	25.9	28.3	30.7

Source: WPRTS, UOB Kay Hian Estimates

Port Klang's Yard Density

Week, 2026	Last 7 days*	Details
15-23 July	1.63	Yard density surged to 90-95%. Heavy berth congestion is causing average vessel delays of 2-3 days. To help alleviate congestion, planned maintenance dredging has been reschedule to 3-12 August.
7-14 July	1.38	Yard density surged to 80-85%. Average delays of around one day still manageable. However, planned dredging works from 23 July to 1 August will require the closure of approximately 600 metres of berth space at B23 and B24.
24-29 June; 30 June-6 July	1.09	Yard density remained healthy at 75-80%, but situation was expected to worsen with high calls and vessel bunching expected.

** Data refers to the 7-day average vessel waiting time*
Source: Kuehne+Nagel (myKN)

ESG update

Westports' commitment to adopt automation. In 17 Apr 25, WPRTS launched its state-of-the-art Automated Gate System (AGS). Tests revealed that the AGS was able to cut processing time from 40-60 seconds (export) to <15 second (all). This underscores its commitment to digital transformation and sustainable port operations, aligned to the relevant United Nation Sustainable Development Goals (UN SDG):

- **Goal 8: Decent work and economic growth.** Automation boosts operational efficiency and reduces costs.
- **Goal 9: Industry, innovation and infrastructure.**
- **Goal 11: Sustainable cities and communities.** Efficient cargo movement reduces congestion and emissions, and improves urban logistics.
- **Goal 12: Responsible consumption and production.** Reduces resource waste through automation and improving process accuracy.

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**2,552**	**2,890**	**3,058**	**3,069**
EBITDA	1,690	1,928	2,098	2,101
Deprec. & amort.	287	288	308	328
EBIT	1,002	1,184	1,296	1,271
Total other non-operating income	(8)	0	0	0
Associate contributions	(8)	0	0	0
Net interest income/(expense)	1,296	1,533	1,677	1,646
Pre-tax profit	**(294)**	**(349)**	**(382)**	**(374)**
Tax	0	0	0	0
Net profit	**1,010**	**1,184**	**1,296**	**1,271**
Net profit (adj.)	1,010	1,184	1,296	1,271

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
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
Total liabilities & equity	**8,892**	**8,986**	**9,561**	**10,094**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
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
Other operating cashflows				
Investing	**(523)**	**(560)**	**(600)**	**(639)**
Capex (growth)	(538)	(134)	(134)	(134)
Proceeds from sale of assets	(50)	(450)	(450)	(450)
Others	64	24	(16)	(56)
Financing	**(890)**	**(718)**	**(800)**	**(781)**
Dividend payments	(752)	(886)	(969)	(950)
Issue of shares	0	0	1	2
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**

Key Metrics

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	66.2	66.7	68.6	68.5
Pre-tax margin	50.8	53.0	54.9	53.6
Net margin	39.3	41.0	42.4	41.4
ROA	15.1	17.8	18.6	17.6
ROE	32.4	36.2	37.8	35.4
Growth				
Turnover	26.5	33.3	43.5	55.3
EBITDA	47.2	65.0	79.3	97.6
Pre-tax profit	47.4	61.7	76.8	95.9
Net profit	37.2	48.6	62.4	80.0
Net profit (adj.)	37.2	48.6	62.4	80.0
EPS	37.2	48.6	62.4	80.0
Leverage				
Debt to total capital	22.9	23.4	27.2	30.6
Debt to equity	22.9	23.4	27.2	30.6
Debt to total capital	28.3	28.3	33.3	37.5
Debt to equity	28.3	28.3	33.3	37.5

Market Spotlight

Market News

The FBMKLCI rose 3.22pt to close at 1,714.59 yesterday in a mixed trading day as a lack of domestic catalysts saw the index move in tandem with regional peers. Meanwhile, most Asian stocks advanced on Thursday as optimism over another surge in artificial intelligence spending lifted semiconductor shares, although gains were capped by soaring oil prices amid escalating tensions in the Middle East. The FBMKLCI's top gainers were Petronas Chemicals Group (+2.3%), Gamuda (+1.9%) and Tenaga Nasional (+1.5%), while the top losers were CelcomDigi (-1.7%), IOI Properties Group (-1.6%) and Maxis (-1.4%). In the broader market, losers outpaced gainers 598 to 417 with 602 counters unchanged. Turnover was 3.20b shares valued at RM2.26b.

US stocks were lower after the close on Thursday, as losses in the consumer goods, telecoms and consumer services sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average lost 0.97%, while the S&P 500 Index lost 1.21%, and the NASDAQ Composite Index fell 2.15%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 1,928 to 806 and 67 ended unchanged; on the Nasdaq Stock Exchange, 2,265 fell and 1,123 advanced, while 172 ended unchanged. *(Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

FBMKLCI

Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close: 1,714.59

Expected moving range: 1,710– 1,750

Technical view:

From the technical perspective, the index formed a spinning top as the FBMKLCI was unable to move up further and traded in a tight range of 1,708-1,718 yesterday, suggesting investors remaining cautious in the uncertain market. We believe the index would trade sideways in the near term. As both the MACD and the DMI are on a bullish crossover, we believe the consolidation is not yet over as selling pressure is still visible. Support and resistance levels are still maintained as follows:

Support: 1,677, 1,650

Resistance: 1,750, 1,770

FCPO

Source: Tradingview

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

Technical BUY with +2.1% upside

Trading buy range: RM4,700-RM4,750

Last price: RM4,734

Target price: RM4,799, RM4,834

Support: RM4,662

Stop-loss: RM4,661

BUY with a target price of RM4,834 and stop-loss at RM4,661. Based on the chart, FCPO formed a series of higher highs and higher lows that indicates an uptrend pattern. This positive signal is supported by an uptick in the RSI and a bullish crossover in both MACD and DMI indicators. We peg our targets at RM4,799 and RM4,834 in the near term.

Expected timeframe: One day to three days

FKLI

Source: Tradingview

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

Technical BUY with +1.7% potential return

Trading buy range: 1,700-1,720

Last price: 1,715.5

Target price: 1,733, 1,744

Support: 1,708

Stop-loss: 1,707

BUY with a target price of 1,744 and stop-loss at 1,707. Based on the chart, FKLI continued the bullish movement and closed at 1,715.5 on yesterday's movement. This bullish movement is supported by an uptick in the RSI and bullish crossovers in both MACD and DMI indicators. We maintained our targets at 1,733 and 1,744 in the near term.

Expected timeframe: One day to three days

Traders' Corner

Source: UOBKH ChartGenie

SNS Network Technology (SNS MK)

Technical BUY with +22.4% potential return

Trading buy range: RM0.53-0.54

Last price: RM0.525

Target price: RM0.595, RM0.655

Support: RM0.465

Stop-loss: RM0.46

BUY with a target price of RM0.655 and stop-loss at RM0.46. Based on the daily chart, share price is climbing gradually after having established support at RM0.46. Positive readings in both the DMI and the MACD should translate into stronger momentum for the share price. This is supported by an uptick in the RSI. We peg our targets at RM0.595 and RM0.655 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Theta Edge (THETA MK)

Technical BUY on breakout with +25.2% potential return

Trading buy range: RM0.595-0.60

Last price: RM0.575

Target price: RM0.695, RM0.745

Support: RM0.51

Stop-loss: RM0.505

BUY on breakout with a target price of RM0.745 and stop-loss at RM0.505. Based on the daily chart, THETA formed a higher high and higher low towards the breakout level of RM0.595 yesterday. This is supported by positive readings in the RSI and bullish crossover on the MACD and DMI. We peg our targets at RM0.695 and RM0.745 if THETA manages to penetrate above the breakout level of RM0.595.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Thong Guan Industries (TGI MK)

Technical BUY on breakout with +11.9% potential return

Trading buy range: RM1.51-1.52

Last price: RM1.48

Target price: RM1.64, RM1.69

Support: RM1.40

Stop-loss: RM1.39

BUY on breakout with a target price of RM1.69 and stop-loss at RM1.39. The breakout above the RM1.51 level coupled with a positive close in the RSI shows further upside ahead. This is supported by positive DMI readings which indicate an increase in buying momentum. With the immediate resistance target at RM1.64, the stock is expected to resume its ascent towards the resistance level of RM1.70 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Analyst

Mohd Fakhrul Asyraq, MSTA, CFTe
mohdfakhrulasyraq@uobkh.com
+603 21741994