RAM
RATINGS

Media Release

RAM Ratings affirms IJM Corp's AA_3/Stable sukuk rating

RAM Ratings has affirmed the AA_3/Stable rating of IJM Corporation Berhad's (IJM Corp or the Group) RM3.0 bil Sukuk Murabahah Programme. The AA_3(s)/Stable/P1(s) ratings for the RM5.0 bil Islamic Medium-Term Notes Programme and Islamic Commercial Papers Programme, issued under IJM Treasury Management Sdn Bhd, are also affirmed. These ratings reflect the credit profile of IJM Corp as provider of an irrevocable and unconditional guarantee based under the shariah principle of Kafalah.

The affirmation reflects IJM Corp's robust business profile and resilient earnings, underpinned by a rapidly expanding construction order book and sustained property sales. The Group's diversified businesses and strong track record in the local construction and property sectors are key rating strengths. These are further supported by a sound balance sheet, strong liquidity and financial flexibility. However, expected weakening in debt coverage metrics is a moderating factor, alongside the Group's contingent exposure to the delayed West Coast Expressway, in which it holds a 43% stake, and vulnerability to foreign exchange and interest rate movements.

IJM Corp's construction segment continues to demonstrate strong momentum, with significant new contract wins in infrastructure, industrial facilities and data centres. These have lifted its outstanding order book from RM6.56 bil as at end-March 2025 to an estimated RM9.3 bil as at end-October 2025. Including joint ventures and associates, the total order book stands at a sizeable RM14.4 bil, which includes major projects such as data centres in Johor and Selangor (RM3.6 bil) and the New Pantai Highway Extension (RM1.4 bil). However, a softening property market has resulted in lower property sales and unbilled sales, with the latter declining to RM1.6 bil as at end-September 2025 from RM2.6 bil (end-March 2024).

IJM Corp's core pre-tax profit (excluding unusual items) was 11.2% higher in FY Mar 2025, driven primarily by improved construction performance and additional contributions from the industry and property segments. The Group's overall financial results in fiscal 2025 exceeded our expectations. However, core pre-tax profit for 1H FY Mar 2026 was 19.8% lower, impacted by weaker results in the property, port and investment divisions, partially offset by broader earnings from the construction, industry and toll segments. Looking ahead, near-term earnings growth is expected to be measured, with meaningful expansion anticipated through fiscal 2028, backed by rising contributions from construction, property sales and continued performance of the industry and infrastructure segments.

RAM Rating Services Berhad
200701005589 (763588-T)
Level 8, Mercu 2
KL Eco City
No.3, Jalan Bangsar
59200 Kuala Lumpur
Malaysia
T +603 2708 8288
F +603 2708 8201
E ramratings@ram.com.my
www.ram.com.my

IJM Corp's debt level rose to RM6.54 bil as at end-March 2025 with gearing rising to 0.60 times (as at end-March 2024: RM6.24 bil and 0.57 times). Adjusted funds from operations debt coverage (FFODC) strengthened slightly to 0.18 times in FY Mar 2025 (FY Mar 2024: 0.17 times). These coverage ratios exclude non-recourse infrastructure debt and earnings which are concession-related, ring-fenced and have no recourse to the holding company. The Group projects debts to increase to RM10 bil by end-March 2028, mainly to fund significant capex in UK property developments and a highway extension, with adjusted FFODC expected to markedly deteriorate to 0.12 times. Nonetheless, the Group's FFODC is anticipated to improve beyond our current forecast period as earnings and cashflow generation from the UK projects commence.

Analytical contacts
Ben Inn
(603) 2708 8290
ben@ram.com.my

Thong Mun Wai
(603) 2708 8255
munwai@ram.com.my

Media contact
Sakinah Arifin
(603) 2708 8212
sakinah@ram.com.my

Date of release: 31 December 2025

The credit rating is not a recommendation to purchase, sell or hold a security, inasmuch as it does not comment on the security's market price or its suitability for a particular investor, nor does it involve any audit by RAM Ratings. The credit rating also does not reflect the legality and enforceability of financial obligations.

RAM Ratings receives compensation for its rating services, normally paid by the issuers of such securities or the rated entity, and sometimes third parties participating in marketing the securities, insurers, guarantors, other obligors, underwriters, etc. The receipt of this compensation has no influence on RAM Ratings' credit opinions or other analytical processes. In all instances, RAM Ratings is committed to preserving the objectivity, integrity and independence of its ratings. Rating fees are communicated to clients prior to the issuance of rating opinions. While RAM Ratings reserves the right to disseminate the ratings, it receives no payment for doing so, except for subscriptions to its publications.

Similarly, the disclaimers above also apply to RAM Ratings' credit-related analyses and commentaries, where relevant.

Published by RAM Rating Services Berhad
© Copyright 2025 by RAM Rating Services Berhad

RAM Rating Services Berhad
200701005589 (763588-T)

Level 8, Mercu 2
KL Eco City
No.3, Jalan Bangsar
59200 Kuala Lumpur
Malaysia

T +603 2708 8288
F +603 2708 8201
E ramratings@ram.com.my
www.ram.com.my