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GFM Services Q2 revenue jumps 81% on Energy segment growth

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KUALA LUMPUR: Integrated facilities management (IFM) services provider GFM Services Bhd recorded an 81.4% year-on-year (YoY) increase in revenue to RM95.0 million for Q2 ended June 30, 2026 (FY26), compared with RM52.4 million in Q2 FY25.

The strong revenue growth was primarily driven by higher contributions from the Energy segment following the consolidation of Shapadu Energy Sdn Bhd, as well as variation order (VO) works under the facilities management (FM) segment.

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In line with the higher revenue base, gross profit (GP) increased by 58.1% YoY to RM26.9 million in Q2 FY26, from RM17.0 million in Q2 FY25.

GP margin stood at 28.3%, down from 32.5%, reflecting the higher proportion of revenue contributed by the Energy segment, which operates at a different margin profile.

Consequently, net profit increased by 27.9% YoY to RM7.4 million, from RM5.8 million in Q2 FY25.

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On a quarter-on-quarter (QoQ) basis, group revenue increased by 14.9% to RM95.0 million from RM82.7 million in Q1 FY26, while net profit rose by 21.0% to RM7.4 million from RM6.1 million.

Group managing director Ruslan Nordin said the first half of FY26 reflects GFM's larger scale and broader earnings base.

"Energy has grown into a major contributor following the integration of Shapadu Energy, while our FM and Concession businesses continue to provide an important recurring earnings base.

"This drove a 77.2% increase in group revenue for the first half, alongside higher net profit despite the evolving revenue mix and margin profile," he said.

Looking ahead, Ruslan said the upcoming first major plant turnaround cycle at the Pengerang Integrated Complex (PIC) represents a significant growth opportunity for the group's Energy business.

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"Through Highbase Strategic Sdn Bhd, Shapadu CR Asia Sdn Bhd and HIMS Integrated Services Sdn Bhd, the group now holds eight TA4MS contracts across the utilities, refinery and petrochemical zones at PIC," he said.

As of August 2026, the group had secured cumulative release orders of RM231.3 million for the upcoming turnaround cycle.

Preparatory activities are underway in 2026, with the secured turnaround work packages expected to commence in 2027.

The group's combined scope is expected to involve approximately 8,000 personnel and 3 million manhours, providing meaningful revenue visibility as execution ramps up in FY27.

"Beyond the immediate earnings contribution, the turnaround is strategically important in strengthening GFM's credentials.

"Successful execution will expand our accumulated manhours, technical experience and track record, positioning us to pursue future turnaround and maintenance opportunities at other downstream oil and gas facilities.

"PIC therefore represent both an earnings opportunity and an important platform for the longer-term growth of our Energy business," he said.

The FM segment remains an important foundation for the group, supported by long-term recurring contracts.

As of June 30, 2026, the group's total outstanding order book across the FM and Concession businesses stood at RM0.8 billion, providing earnings visibility until 2035.

For 1H FY26, GFM's revenue rose by 77.2% to RM177.7 million from RM100.3 million in 1H FY25.

By revenue segment, the Energy segment was GFM's largest contributor, accounting for 54.4% of total revenue.

The FM segment contributed approximately 37.9%, while the Concession Arrangements segment accounted for the remaining 7.7%.

Net profit for 1H FY26 increased by 14.2% to RM13.4 million, compared with RM11.8 million in 1H FY25.

Overall, GFM is building a more diversified earnings base, with growing contributions from Energy complemented by recurring income from its FM and concession businesses, as well as future contributions from its remaining service areas (RSA) assets.

While the shift in business mix creates a different margin profile than the group's historically FM-led business, it expands GFM's addressable market and supports longer-term earnings resilience.

The group will continue to strengthen its operational capabilities, execute its secured work packages and pursue opportunities that complement its established FM, Energy and Concession platforms to deliver sustainable value to shareholders.