Corporate Update

Mah Sing Group Berhad

(8583 | MSGB MK) Main | Property

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

Maintain **BUY**

Unchanged Target Price **RM1.51**

2QFY25 Results Review
Stronger New Sales Expected

1HFY25 earnings within expectations. Mah Sing Group 1HFY25 core net income of RM130.4m came in within expectations, making up 50% and 48% of our and consensus full year estimates respectively.

Higher sequential earnings on higher margin. Sequentially, 2QFY25 core net income increased to RM57.1m (+5.6%qoq) despite lower topline (-12.9%qoq). Note that the lower topline was due to lower progress billing of ongoing projects as higher proportion of new projects in the initial stages of construction. Nevertheless, earnings in 2QFY25 were lifted by higher gross profit margin of 31% against 26% in 1QFY25 due to finalisation of construction costs for construction contract. Besides, earnings growth was also helped by lower finance cost (-20%qoq) due to lower financing rate and as part of development cost for township is capitalized.

Solid earnings in 1HFY25. On yearly basis, 2QFY25 core net income was higher (+12.3%yoy), bringing 1HFY25 earnings higher at RM130.4m (+12%yoy). The higher earnings were attributed to higher progressive revenue recognition from ongoing construction progress. M Series projects remain the key earnings contributor to Mah Sing. The higher revenue recognition from ongoing projects helped cushioned the higher selling and marketing, higher administrative expenses as well as increase in financing cost.

Stronger new sales expected in 2HFY25. Mah Sing registered new property sales of RM1.15b in 1HFY25. M Tiara in JB contributed 22% to total new sales while M Legasi in Semenyih contributed 16% to total new sales. Meanwhile, management is confident that sales target of minimum RM2.65b is achievable as new sales are anticipated to be stronger in 2HFY25. This is on the back of pipeline launches in 2HFY25 which include M Aurora in Old Klang Road, M Aria in Sentul and M Zenni in Penang as well as launches of new phases of ongoing projects. On the other hand, unbilled sales of RM2.91b provides 1.1 year earning visibility.

Maintain BUY with an unchanged TP of RM1.51. We make no changes to our earnings forecast for FY25/26/27. We also maintain our **TP at RM1.51**, based on 38% discount to RNAV. Earnings of property development division will remain support by the solid sales of M Series projects. The entry into high end property market should help lift property sales. Meanwhile, Mah Sing is looking to grow recurring income from Mah Sing DC Hub @ Southville City via build and lease structure for DC players while also exploring land sales. Overall, we maintain our **BUY** call on Mah Sing.

RETURN STATISTICS	
Price @ 28th Aug 2025 (RM)	1.20
Expected share price return (%)	+25.8
Expected dividend yield (%)	+4.0
Expected total return (%)	+29.8

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	1.7	-2.0
3months	0.8	6.7
12 months	-24.5	-20.3

INVESTMENT STATISTICS			
FYE Dec	2025E	2026F	2027F
Revenue	2,664	2,719	2,754
Operating Profit	389	444	486
Profit Before Tax	345	393	426
Core PATAMI	260	294	318
Core EPS	10.17	11.49	12.43
DPS	4.84	5.17	6.00
Dividend Yield	4.0%	4.3%	4.7%

KEY STATISTICS	
FBM KLCI	1,587.07
Issue shares (m)	2560.14
Estimated free float (%)	56.83
Market Capitalisation (RM'm)	3,072
52-wk price range	RM1.01– RM1.92
3-mth average daily volume (m)	7.19
3-mth average daily value (RM'm)	8.50
Top Shareholders (%)	
Mayang Teratai Sdn Bhd	25.51
Amanah Saham Nasional Bhd	7.53
Mayang Teratai Limited	7.03
Oversea-Chinese Banking Corp Ltd	6.05

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Mah Sing Group: 2QFY25 RESULTS SUMMARY

FYE Dec (RM'm, unless otherwise stated)	Quarterly Results			Cumulative	
	2QFY25	%YoY	%QoQ	FY25	%YoY
Revenue	565.9	-2.16%	-12.9%	1,215.6	7.0%
EBIT	105.9	13.69%	-2.6%	214.7	14.2%
PBT	95.5	16.44%	4.5%	187.0	13.9%
Net Income	66.0	9.64%	0.0%	132.1	9.8%
Core Net Income	67.1	12.3%	5.6%	130.4	12.0%
EPS (sen)	2.58	9%	0.0%	5.2	6.5%
Core EPS (sen)	2.62	11%	5.6%	5.1	9.0%
Net DPS (sen)	0.00	NA	NA	0.0	NA
NTA/share (RM)	1.54	3%	1.7%	1.54	3%
Net Gearing (x)	0.23	NA	NA	0.23	NA
EBIT Margin	18.7%	NA	NA	17.7%	NA
PBT Margin	16.9%	NA	NA	15.4%	NA

Source: Company, MBSB Research

Mah Sing Group RNAV

	Stake	Est remaining GDV (RM m)	WACC (%)	Value (RM m)
Greater KL Projects				
Southgate	100%	2	10%	2
Star Avenue	100%	88	10%	7
Hijauan Residence	100%	226	10%	17
Aman Perdana	100%	72	10%	6
Garden Residence	100%	76	10%	6
Perdana Residence 2	100%	13	10%	1
M Suites @ Jalan Ampang	100%	6	10%	1
Bayu Sekamat	100%	7	10%	1
Icon Residence Mont' Kiara	100%	12	10%	1
Garden Plaza, Cyberjaya	100%	31	10%	3
M City, Jalan Ampang	100%	2	10%	0.2
M Residence 1 @ Rawang	100%	59	10%	5
M Residence 2 @ Rawang	100%	33	10%	3
Southville City @ KL South, Bangi	100%	8,364	10%	502
Icon City, PJ	100%	1,901	10%	147
D'sara Sentral	100%	50	10%	4
Lakeville Residence	100%	1	10%	0
M Aruna Rawang	100%	152	10%	12
M Centura, M Arisa, Sentul	78%	4	10%	0.3
M Vertica, Cheras	100%	29	10%	2
M Oscar	100%	22	10%	2
M Luna	100%	18	10%	1
M Adora	100%	9	10%	1

M Senyum	100%	10	10%	1
M Astra	100%	11	10%	1
M Nova	100%	347	10%	26
M Terra & M Hana	100%	641	10%	47
M Legasi (Glengowrie Estate) Semenyih	100%	3,300	10%	198
M Zenya	100%	199	10%	15
M Azura, Setapak	100%	371	10%	29
Mah Sing Businss Park	56%	728	10%	32
M Aspira	100%	572	10%	42
M Aurora	100%	660	10%	49
M Aria	100%	283	10%	21
Corus Hotel Site	100%	1,280	10%	91
Johor Projects				
Sierra Perdana	100%	140	10%	11
Meridin @ Medini	100%	227	10%	18
Meridin East	100%	3,082	10%	171
Mah Sing i-Parc	100%	11	10%	1
M Tiara	100%	480	10%	13
M Tiara 2	100%	1,450	10%	103
M Tiara 3	100%	463	10%	37
M Grand Minori	100%	1,500	10%	111
Penang Projects				
Ferringhi Residence	100%	362	10%	29
Southbay City	100%	1,415	10%	92
Unbilled sales		2,730		210

Total	2,072
Shareholder Funds	3,882
Total RNAV	5,954
Number of shares	2,438
RNAV per share (RM)	2.44
Discount	38%
Target Price (RM)	**1.51**

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	2,603	2,520	2,664	2,719	2,754
EBIT	379	392	389	444	486
PBT	327	337	345	393	426
Net Income	215	241	258	294	318
Core Net Income	216	237	260	294	318
Core EPS (sen)	8.9	9.3	10.2	11.5	12.4
Core PER (x)	13.5	12.9	11.8	10.4	9.7
NTA/share	1.54	1.55	1.57	1.60	1.63
P/NTA	0.78	0.77	0.76	0.75	0.74

Balance Sheet (RM'm)	2023A	2024A	2025E	2026F	2027F
Property, plant and equipment	408	467	472	477	482
Land held for property development	1,766	2,362	2,315	2,268	2,223
Total non-current assets	2,627	3,291	3,364	3,438	3,513
Property development costs	1,000	1,032	1,043	1,053	1,063
Inventories	530	539	551	563	575
Cash and bank balances	981	1,347	969	1,173	1,199
Other assets	1,279	1,344	1,929	1,951	2,172
Total Assets	**6,417**	**7,553**	**7,855**	**8,178**	**8,523**
Medium Term Notes	1,003	552	591	632	676
LT Term Loans	266	804	822	840	858
Other Liabilities	1,411	2,222	2,400	2,594	2,805
Total Liability	2,680	3,578	3,813	4,066	4,339
Share capital	1,776	1,876	1,876	1,876	1,876
Other Equity	1,961	2,099	2,166	2,236	2,307
Total Equity	3,737	3,975	4,042	4,112	4,183
Equity + Liability	**6,417**	**7,553**	**7,855**	**8,178**	**8,523**

Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
Cash flows from operating activities					
Net income before taxation	327	337	345	393	426
Net cash from operating activities	1090	579	568	556	545
Cash flows from investing activities					
Addition to land held for property development	-46	-122	-105	-90	-78
Net cash used in investing activities	-496	-867	-928	-705	-536
Cash flows from financing activities					
Net proceeds from issuance of Medium Term Notes	0	0	0	0	0
Net cash from/(used in) financing activities	-298	580	141	360	250
Net increase/(decrease) in cash and cash equivalents	296	292	-220	211	260
Cash and cash equivalent at 1 January	480	781	1074	854	1065
Cash and cash equivalent at 1 December	781	1074	854	1065	1325

Profitability Ratios (%)	2023A	2024A	2025E	2026F	2027F
EBIT margin	14.6%	15.5%	14.6%	16.3%	17.6%
PBT margin	12.6%	13.4%	13.0%	14.5%	15.5%
PAT margin	8.3%	9.6%	9.7%	10.8%	11.6%
Core PATAMI margin	8.3%	9.4%	9.8%	10.8%	11.6%
ROE	5.8%	6.0%	6.4%	7.2%	7.6%
ROA	3.4%	3.1%	3.3%	3.6%	3.7%

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MBSB INVESTMENT BANK (formerly known MIDF INVESTMENT BANK): GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology