Mah Sing Group Berhad

(8583 | MSGB MK) Main | Property

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

Corporate Update

3QFY25 Results Review
Decent New Sales Prospect

Maintain BUY
Unchanged Target Price **RM1.52**

9MFY25 earnings within expectations. Mah Sing Group 9MFY25 core net income of RM195.1m came in within expectations, making up 75% and 73% of our and consensus full year forecast respectively.

Normalized profit margin. Sequentially, 3QFY25 core net income was lower at RM64.4m (-4.1%qoq) despite higher topline of RM635.9m (+12.4%qoq) mainly due to lower margin and higher tax rate. Gross profit margin narrowed from 30.7% in 2QFY25 to 27.9% in 3QFY25 as margin in 2QFY25 was lifted by finalisation of construction costs for construction contract. Besides, 3QFY25 earnings were dragged by the slightly higher tax rate of 27.5% compared to tax rate of 25.2% in 2QFY25.

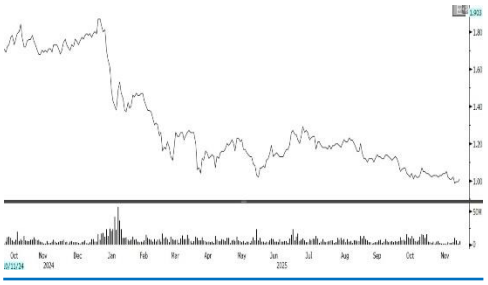
Earnings driven by higher progress billing. On yearly basis, 3QFY25 core net income was flattish at RM64.4m (+1.8%yoy), bringing cumulative 9MFY25 core net income higher at RM195.1m (+8.6%yoy). The higher earnings were mainly driven by acceleration of progress billing of its ongoing projects in Klang Valley. That has more than enough to offset the higher expenses and finance costs. Meanwhile, balance sheet of Mah Sing remains healthy with net gearing of 0.25x in 3QFY25.

Decent new sales prospect. Mah Sing recorded new property sales of RM1.88b in 9MFY25, on track to meet management new sales target of RM2.65b for FY25. New sales in 4QFY25 should sustain by ongoing projects and new launches in the pipeline. Upcoming launches for the remainder of 2025 include M Aria in Sentul, future phases of M Zenya in Kepong and Meridin East in Johor. Meanwhile, its active landbank replenishment with five landbank acquisition year-to-date will continue to sustain new sales prospect. On the other hand, unbilled sales increased from RM2.91b in 2QFY25 to RM3.14b in 3QFY25, providing 1.2 years earnings visibility.

Maintain BUY with an unchanged TP of RM1.52. We make no changes to our earnings forecast for FY25/26/27. Our TP is unchanged at RM1.52, based on 38% discount to RNAV. Valuation of Mah Sing is undemanding, trading at 36% discount to latest NTA per share of RM1.57. Besides, the stable new sales prospect coupled with the active landbanking should support earnings growth in the near-term. Dividend yield is also attractive at 4.8%. Hence, we maintain our **BUY** call on Mah Sing.

RETURN STATISTICS	
Price @ 27th Nov 2025 (RM)	1.01
Expected share price return (%)	+50.5
Expected dividend yield (%)	+4.8
Expected total return (%)	+55.3

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-5.6	-5.6
3months	-9.0	-14.5
12 months	-41.6	-42.1

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	4.8%	5.1%	5.5%

KEY STATISTICS	
FBM KLCI	1,617.46
Issue shares (m)	2560.14
Estimated free float (%)	56.83
Market Capitalisation (RM'm)	2,585
52-wk price range	RM1.01– RM1.92
3-mth average daily volume (m)	6.38
3-mth average daily value (RM'm)	6.85
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: 3QFY25 RESULTS SUMMARY

FYE Dec (RM'm, unless otherwise stated)	Quarterly Results			Cumulative	
	3QFY25	%YoY	%QoQ	FY25	%YoY
Revenue	635.9	-0.53%	12.4%	1,851.5	4.3%
EBIT	110.6	12.63%	4.4%	325.3	13.7%
PBT	96.2	13.42%	0.7%	283.2	13.7%
Net Income	66.3	10.35%	0.4%	198.3	10.0%
Core Net Income	64.4	1.8%	-4.1%	195.1	8.6%
EPS (sen)	2.59	10%	0.4%	7.7	7.8%
Core EPS (sen)	2.52	2%	-4.1%	7.6	6.5%
Net DPS (sen)	0.00	NA	NA	0.0	NA
NTA/share (RM)	1.57	6%	1.7%	1.57	6%
Net Gearing (x)	0.25	NA	NA	0.25	NA
EBIT Margin	17.4%	NA	NA	17.6%	NA
PBT Margin	15.1%	NA	NA	15.3%	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%	8364	10%	502
Icon City, PJ	100%	1901	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%	3300	10%	198
M Zenya	100%	199	10%	15
M Azura, Setapak	100%	371	10%	29
M Mira	100%	300	10%	22
M Aspira	100%	572	10%	42
M Aurora	100%	660	10%	49
M Aria	100%	283	10%	21
Corus Hotel site	100%	1280	10%	91
Johor Projects				
Sierra Perdana	100%	140	10%	11
Meridin @ Medini	100%	227	10%	18
Meridin East	100%	3082	10%	171
Mah Sing i-Parc	100%	11	10%	1
M Tiara	100%	480	10%	13
M Tiara 2	100%	1450	10%	103
M Tiara 3	100%	463	10%	37
M Grand Minori	100%	1500	10%	111
Penang Projects				
Ferringhi Residence	100%	362	10%	29
Southbay City	100%	1415	10%	92
M Cora	100%	528	10%	39
Unbilled sales		2730		210
Total				**2102**
Shareholder Funds				3882
Total RNAV				5984
Number of shares				2438
RNAV per share (RM)				2.45
Discount				38%
Target Price (RM)				**1.52**

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)	11.3	10.9	9.9	8.8	8.1
NTA/share	1.54	1.55	1.57	1.60	1.63
P/NTA	0.66	0.65	0.64	0.63	0.62

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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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