MBM Resources Berhad

(5983 | MBM MK) Main | Consumer Products & Services

SHARIAH Compliant

ESG 3 Stars

Corporate Update

3QFY25 Results Review
A Solid Set of Results

Maintain BUY. MBM Resources Berhad (MBM) posted a steady set of 3QFY25 results, landing in line with expectations. Perodua's year-to-date TIV dipped -2.0%yoy amid planned facility upgrades yet still reflects the resilience of the mass-market segment. Associate contributions improved, aided by a stronger MYR, while volumes held relatively steady. Our target price is unchanged at **RM5.54,** derived from 7x FY26F EPS. Despite a more modest share price upside, MBM's attractive dividend yield lifts overall return to above 10%, supporting our **BUY** call.

Within expectations. MBM delivered a 3QFY25 core PATAMI of RM89.0m, lifting 9MFY25 core PATAMI to RM232.9m, in line at 76% of our/consensus full-year estimates. The Group declared a 17.0 sen dividend (7.0 sen second interim and 10.0 sen special), raising total dividends to 39.0 sen for the period (DPR: 65%).

Associates lifted by stronger MYR. Motor trading & assembly revenue (-2.1%yoy) softened, largely due to limited Hino stock availability ahead of the shift to its Euro 5 light commercial vehicle lineup. In contrast, auto parts manufacturing revenue (+11.3%yoy) increased, driven by sustained demand from several major customers. Associates accounted for 73% of the Group's PBT, delivering a +11.6%yoy increase, supported by a softer JPY amid flat sales volumes. Overall revenue eased slightly by -0.4%yoy, while core PATAMI inched up +1.7%yoy, supported by better margins and a lower tax expense.

Manufacturing arm strengthened sequentially on stronger orders. Versus 2QFY25, motor trading & assembly revenue (+4.3%qoq) rose on stronger sales across most marques, while auto parts manufacturing (+14.5%qoq) also improved on better order volumes. Together, these drove a +5.6%yoy increase in total revenue. Associates (+28.4%qoq) delivered a strong uplift, supported by higher sales and production volumes as well as a stronger MYR. Improved margins and a lower tax expense contributed to a +22.7%qoq increase in core PATAMI.

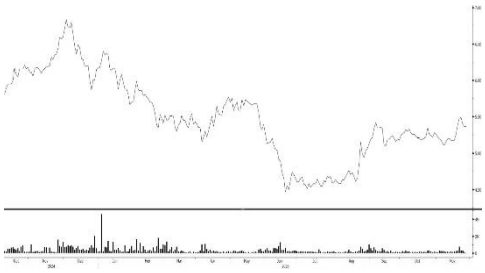
Earnings estimates. We made no revisions to our earnings estimates.

Maintain **BUY**

Unchanged Target Price **RM5.54**

RETURN STATISTICS	
Price @ 26th November 2025 (RM)	5.45
Expected share price return (%)	+1.7
Expected dividend yield (%)	+8.6
Expected total return (%)	+10.3

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	0.9	0.6
3 months	4.2	10.0
12 months	-10.8	-11.6

INVESTMENT STATISTICS

FYE Dec	2025E	2026F	2027F
Revenue	2,332.8	2,349.2	2,399.6
EBIT	56.1	56.1	56.2
PBT	360.6	366.0	374.2
Core PATAMI	305.1	309.6	316.6
Core EPS (sen)	78.1	79.2	81.0
DPS (sen)	46.8	47.5	48.6
Dividend yield	8.6%	8.7%	8.9%

KEY STATISTICS	
FBM KLCI	1,624.50
Issued shares (m)	390.89
Estimated free float (%)	39.79
Market Capitalisation (RM'm)	2,110.79
52-wk price range	RM4.25 - RM6.5
3-mth average daily volume (m)	0.23
3-mth average daily value (RM'm)	1.20
Top Shareholders (%)	
Med-Bumikar Mara Sdn Bhd	49.50
Lembaga Tabung Haji	4.41
Public Mutual Bhd	2.49

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MBM RESOURCES: 3QFY25 RESULTS SUMMARY

FYE Dec (RM'm)	Quarterly					Cumulatively		
Income Statement	**3QFY25**	**2QFY25**	**3QFY24**	**QoQ**	**YoY**	**9MFY25**	**9MFY24**	**YoY**
Revenue	635.9	602.2	638.4	5.6%	-0.4%	1,812.4	1,824.8	-0.7%
EBIT	21.2	15.7	18.3	34.8%	15.8%	50.5	51.1	-1.4%
Net finance costs	1.4	0.9	1.3	51.1%	6.9%	3.6	3.4	7.4%
Share of JV	7.9	5.9	8.6	34.9%	-8.1%	18.0	23.4	-22.8%
Share of associates	83.0	64.7	74.4	28.4%	11.6%	213.5	200.2	6.6%
PBT	113.5	87.2	102.6	30.3%	10.6%	285.6	278.1	2.7%
Tax expense	-3.8	-4.5	-5.1	14.7%	26.1%	-12.3	-14.4	14.4%
PAT	109.7	82.7	97.5	32.7%	12.5%	273.2	263.6	3.6%
PATAMI	94.5	72.5	87.4	30.2%	8.1%	238.4	235.3	1.3%
Core PATAMI	89.0	72.5	87.6	22.7%	1.7%	232.9	235.6	-1.2%
				ppts	**ppts**			**ppts**
EBIT margin (%)	3.3%	2.6%	2.9%	0.7	0.5	2.8%	2.8%	0.0
PBT margin (%)	17.9%	14.5%	16.1%	3.4	1.8	15.8%	15.2%	0.5
Core PATAMI margin (%)	14.0%	12.0%	13.7%	2.0	0.3	12.9%	12.9%	-0.1
Effective tax rate (%)	-3.3%	-5.1%	-5.0%	1.8	1.7	-4.3%	-5.2%	0.9

SEGMENTAL BREAKDOWN

FYE Dec (RM'm)	Quarterly					Cumulatively		
Revenue	**3QFY25**	**2QFY25**	**3QFY24**	**QoQ**	**YoY**	**9MFY25**	**9MFY24**	**YoY**
Motor trading & assembly	546.5	524.0	558.1	4.3%	-2.1%	1,571.4	1,601.6	-1.9%
Auto parts manufacturing	88.6	77.4	79.6	14.5%	11.3%	238.8	221.2	8.0%
Others	0.7	0.7	0.6	1.4%	15.6%	2.2	1.9	12.0%
EBIT	**3QFY25**	**2QFY25**	**3QFY24**	**QoQ**	**YoY**	**9MFY25**	**9MFY24**	**YoY**
Motor trading & assembly	17.8	12.4	13.3	44.1%	33.6%	40.5	37.4	8.2%
Auto parts manufacturing	4.8	4.8	6.4	-0.8%	-24.9%	14.7	18.3	-19.7%
Others	-1.5	-1.5	-1.5	3.3%	-0.2%	-4.8	-4.6	-3.1%
EBIT margin				**ppts**	**ppts**			**ppts**
Motor trading & assembly	3.3%	2.4%	2.4%	0.9	0.9	2.6%	2.3%	0.2
Auto parts manufacturing	5.4%	6.2%	8.0%	-0.8	-2.6	6.2%	8.3%	-2.1

Source: MBM Resources, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	2,416.2	2,485.6	2,332.8	2,349.2	2,399.6
EBIT	97.2	69.1	56.1	56.1	56.2
PBT	391.3	393.9	360.6	366.0	374.2
PAT	368.3	373.1	339.0	344.0	351.7
PATAMI	331.2	333.4	305.1	309.6	316.6
Core PATAMI	302.2	333.7	305.1	309.6	316.6
Core EPS (sen)	77.3	85.4	78.1	79.2	81.0
PER (x)	7.0x	6.4x	7.0x	6.9x	6.7x
DPS (sen)	54.0	45.0	46.8	47.5	48.6
Dividend yield (%)	9.9%	8.3%	8.6%	8.7%	8.9%

Balance Sheet (RM'm)	2023A	2024A	2025E	2026F	2027F
Inv. in associates	1,652.0	1,767.1	1,899.6	2,034.7	2,173.8
PPE	186.6	194.0	199.4	201.8	203.7
Non-current assets	**2,050.5**	**2,178.6**	**2,280.2**	**2,384.7**	**2,486.5**
Inventories	161.0	114.2	107.6	108.4	110.7
Trade receivables	165.6	162.1	152.1	153.2	156.5
Cash	197.2	258.3	293.3	311.4	332.1
Current assets	**545.8**	**559.0**	**577.5**	**597.3**	**623.7**
Non-current liabilities	**6.4**	**13.8**	**13.8**	**13.8**	**13.8**
Short-term debt	16.4	45.9	45.9	45.9	45.9
Trade payables	89.5	79.1	74.6	75.1	76.7
Current liabilities	**163.9**	**179.2**	**174.7**	**175.2**	**176.8**
Share capital	391.7	391.7	391.7	391.7	391.7
Retained earnings	1,736.4	1,834.7	1,956.7	2,080.6	2,207.2
Equity	**2,426.0**	**2,547.1**	**2,669.2**	**2,793.0**	**2,919.6**

Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
PBT	391.3	393.9	360.6	366.0	374.2
D&A	19.0	17.4	12.0	12.6	13.2
Changes in WC	-61.9	36.5	12.0	-1.3	-4.0
Operating cash flow	**-1.0**	**100.6**	**60.3**	**39.1**	**46.7**
Capital expenditure	-26.8	-18.7	-15.0	-15.0	-15.0
Investing cash flow	**185.8**	**186.2**	**183.3**	**190.3**	**187.8**
Dividends paid	-258.0	-234.5	-183.1	-185.8	-189.9
Debt raised/(repaid)	16.4	29.5	0.0	0.0	0.0
Financing cash flow	**-272.8**	**-227.3**	**-206.6**	**-211.4**	**-213.7**
Net cash flow	**-88.0**	**59.6**	**37.1**	**18.0**	**20.8**
Beginning cash flow	**284.7**	**196.7**	**256.3**	**293.3**	**311.4**
Ending cash flow	**196.7**	**256.3**	**293.3**	**311.4**	**332.1**

Profitability Ratios (%)	2023A	2024A	2025E	2026F	2027F
EBIT margin	4.0%	2.8%	2.4%	2.4%	2.3%
PBT margin	16.2%	15.8%	15.5%	15.6%	15.6%
PAT margin	15.2%	15.0%	14.5%	14.6%	14.7%
Core PATAMI margin	12.5%	13.4%	13.1%	13.2%	13.2%
ROA	11.6%	12.2%	10.7%	10.4%	10.2%
ROE	12.5%	13.1%	11.4%	11.1%	10.8%

Growth (%)	2023A	2024A	2025E	2026F	2027F
Revenue growth	4.7%	2.9%	-6.1%	0.7%	2.1%
EBIT growth	-7.4%	-28.9%	-18.9%	0.1%	0.2%
PBT growth	21.0%	0.7%	-8.4%	1.5%	2.2%
Core PATAMI growth	21.6%	10.4%	-8.6%	1.5%	2.2%

Source: MBM Resources, MBSBR

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(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

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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