Tan Chong Motor Holdings Berhad

(4405 | MBM MK) Main | Consumer Products & Services

SHARIAH Compliant

ESG 3 Stars

Corporate Update

3QFY25 Results Review
Results in Line

Maintain SELL. Tan Chong Motor Holdings Berhad's (TCM) 3QFY25 results came in within expectations. The Group is slated to launch two new Nissan e-POWER models next year (likely the Serena and X-Trail), although the segment is likely to remain highly competitive. Meanwhile, the local assembly of the TQ Wuling Bingo EV is progressing on schedule, with a commercial rollout targeted for 4QCY25. We await further clarity on sales volume and the overall outlook at this week's briefing. We still expect the Group to stay in the red over our forecast period. Our target price remains at **RM0.34**, based on FY26F PBVS of 0.1x.

Within expectations. TCM reported a core LATAMI of -RM55.5m in 3QFY25, bringing 9MFY25 losses to -RM114.0m, which is consistent with our/consensus full-year estimates at 72%/71%. No dividend was declared for the quarter.

Malaysia delivered a steady uplift in revenue on a yearly basis. Total revenue rose +14.7%yoy in 3QFY25, with every market reporting growth. Malaysia's revenue rose +10.4%yoy despite Nissan TIV slipping -2.6%yoy, likely supported by stronger passenger vehicle sales (+20.8%yoy). JPJ registration data indicates that this was driven mainly by the Nissan Serena (+48.1%yoy) and the Nissan Kicks, which were launched in Dec-24. Vietnam operations also posted a threefold increase in revenue, likely driven by the widening footprint of GAC Motor since its 3QFY24 introduction. With weaker margins, higher tax expenses, and after stripping out one-offs, core LATAMI worsened further, widening by -133.6%yoy.

Vietnam operations remained robust on a sequential basis. Compared to 2QFY25, total revenue slipped -1.5%qoq due to softer performance in Malaysia and other markets. MAA data shows Nissan TIV rose +4.4%qoq, driven by an +8.0%qoq increase in passenger vehicles, while commercial vehicle sales declined -10.1%qoq. Vietnam (+4.8%qoq) continued to expand on sustained sales momentum. Core LATAMI widened by -87.7%qoq, weighed down by softer margins and higher tax expenses.

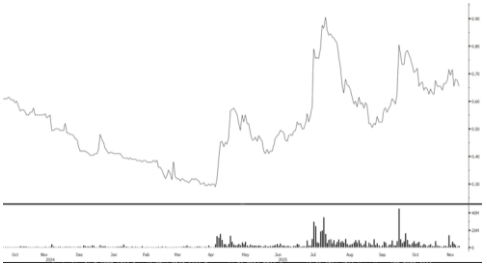
Earnings estimates. We kept our forecasts unchanged as the results came in within expectations.

Maintain SELL

Unchanged Target Price **RM0.34**

RETURN STATISTICS	
Price @ 21st November 2025 (RM)	0.66
Expected share price return (%)	-22.9
Expected dividend yield (%)	+1.5
Expected total return (%)	-21.3

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-2.2	-2.5
3 months	4.0	5.2
12 months	32.3	30.0

INVESTMENT STATISTICS

FYE Dec	2025E	2026F	2027F
Revenue	2,085.3	2,186.1	2,253.1
EBIT	-100.2	-72.5	-60.8
PBT	-160.6	-135.2	-125.8
Core PATAMI	-157.9	-132.9	-123.7
Core EPS (sen)	-24.2	-20.4	-19.0
DPS (sen)	1.0	1.0	1.0
Dividend yield	1.5%	1.5%	1.5%

KEY STATISTICS	
FBM KLCI	1,617.57
Issued shares (m)	651.63
Estimated free float (%)	16.82
Market Capitalisation (RM'm)	426.82
52-wk price range	RM0.28 - RM0.97
3-mth average daily volume (m)	4.84
3-mth average daily value (RM'm)	3.25
Top Shareholders (%)	
Tan Chong Consolidated Sdn Bhd	47.47
Daiwa Securities Group Inc	5.73
Nissan Motor Co Ltd	5.73

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TAN CHONG: 3QFY25 RESULTS SUMMARY

FYE Dec (RM'm)	Quarterly					Cumulatively		
Income Statement	**3QFY25**	**2QFY25**	**3QFY24**	**QoQ**	**YoY**	**9MFY25**	**9MFY24**	**YoY**
Revenue	530.5	538.8	462.7	-1.5%	14.7%	1,622.2	1,571.4	3.2%
Operating loss	-45.6	-46.7	-89.3	2.3%	48.9%	-71.9	-122.2	41.1%
Net interest expense	-12.1	-13.9	-14.1	12.6%	14.2%	-41.7	-39.0	-6.7%
Associates	-2.1	0.1	-0.3	<-100%	-519.0%	-2.2	-0.9	-136.2%
LBT	-59.9	-60.5	-103.8	1.0%	42.3%	-115.8	-162.2	28.6%
Tax expense	-3.7	-0.02	14.6	<-100%	-125.5%	-6.8	10.4	-164.9%
LATAMI	-60.3	-58.1	-90.3	-3.6%	33.3%	-114.3	-146.1	21.8%
Core LATAMI	-55.5	-29.6	-23.8	-87.7%	-133.6%	-114.0	-79.3	-43.7%
				ppts	**ppts**			**ppts**
OP margin (%)	-8.6%	-8.7%	-19.3%	0.1	10.7	-4.4%	-7.8%	3.3
PBT margin (%)	-11.3%	-11.2%	-22.4%	-0.1	11.1	-7.1%	-10.3%	3.2
Core PATAMI margin (%)	-10.5%	-5.5%	-5.1%	-5.0	-5.3	-7.0%	-5.0%	-2.0
Effective tax rate (%)	6.2%	0.0%	-14.1%	6.2	20.3	5.8%	-6.4%	12.3
Nissan Malaysia TIV (units)	**3QFY25**	**2QFY25**	**3QFY24**	**QoQ**	**YoY**	**9MFY25**	**9MFY24**	**YoY**
Passenger vehicles	1,369	1,268	1,133	8.0%	20.8%	4,169	4,289	-2.8%
Commercial vehicles	284	316	564	-10.1%	-49.6%	879	2,010	-56.3%
Total	1,653	1,584	1,697	4.4%	-2.6%	5,048	6,299	-19.9%

SEGMENTAL BREAKDOWN

FYE Dec (RM'm)	Quarterly					Cumulatively		
Revenue	**3QFY25**	**2QFY25**	**3QFY24**	**QoQ**	**YoY**	**9MFY25**	**9MFY24**	**YoY**
Automotive	511.4	518.7	438.9	-1.4%	16.5%	1,560.6	1,498.4	4.2%
Financial services	14.7	15.6	17.5	-6.2%	-16.2%	48.3	53.0	-8.7%
Others	4.4	4.5	6.3	-1.9%	-29.6%	13.3	20.1	-33.8%
	530.5	538.8	462.7	-1.5%	14.7%	1,622.2	1,571.4	3.2%
EBITDA/LBITDA	**3QFY25**	**2QFY25**	**3QFY24**	**QoQ**	**YoY**	**9MFY25**	**9MFY24**	**YoY**
Automotive	-15.0	-0.1	-7.5	<-100%	-98.6%	41.8	-1.8	>100%
Financial services	-1.7	-2.6	4.4	37.0%	-138.0%	-4.6	11.2	-140.9%
Others	9.2	-8.9	-49.5	203.9%	118.6%	1.2	-20.7	105.6%
	-7.4	-11.6	-52.7	35.8%	85.9%	38.4	-11.3	439.2%
EBITDA Margin	**3QFY25**	**2QFY25**	**3QFY24**	**QoQ**	**YoY**	**9MFY25**	**9MFY24**	**YoY**
Automotive	-2.9%	0.0%	-1.7%	-2.9	-1.2	2.7%	-0.1%	2.8
Financial services	-11.3%	-16.8%	24.9%	5.5	-36.1	-9.5%	21.1%	-30.6

GEOGRAPHICAL BREAKDOWN

FYE Dec (RM'm)	Quarterly					Cumulatively		
Revenue	**3QFY25**	**2QFY25**	**3QFY24**	**QoQ**	**YoY**	**9MFY25**	**9MFY24**	**YoY**
Malaysia	473.7	480.6	429.2	-1.4%	10.4%	1,455.6	1,483.2	-1.9%
Vietnam	23.5	22.4	7.6	4.8%	207.9%	65.5	16.6	294.0%
Others	33.2	35.7	25.8	-7.1%	28.5%	101.2	71.6	41.4%
	530.5	538.8	462.7	-1.5%	14.7%	1,622.2	1,571.4	3.2%
EBITDA	**3QFY25**	**2QFY25**	**3QFY24**	**QoQ**	**YoY**	**9MFY25**	**9MFY24**	**YoY**
Malaysia	-5.3	-3.7	-45.1	-44.1%	88.2%	50.5	24.4	106.8%
Vietnam	-6.2	-9.5	-4.5	34.4%	-39.4%	-22.7	-29.4	22.6%
Others	4.1	1.6	-3.2	150.9%	230.2%	10.6	-6.4	266.9%
	-7.4	-11.6	-52.7	35.8%	85.9%	38.4	-11.3	438.9%
EBITDA Margin	**3QFY25**	**2QFY25**	**3QFY24**	**QoQ**	**YoY**	**9MFY25**	**9MFY24**	**YoY**
Malaysia	-1.1%	-0.8%	-10.5%	-0.4	9.4	3.5%	1.6%	1.8
Vietnam	-26.5%	-42.4%	-58.7%	15.9	32.1	-34.7%	-176.8%	142.1

Source: Tan Chong, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	2,532.7	2,082.7	2,085.3	2,186.1	2,253.1
Operating profit	-78.1	-157.6	-100.2	-72.5	-60.8
PBT	-121.1	-214.3	-160.6	-135.2	-125.8
PAT	-133.9	-220.8	-169.4	-142.6	-132.7
PATAMI	-125.3	-222.3	-157.9	-132.9	-123.7
Core PATAMI	-119.8	-180.8	-157.9	-132.9	-123.7
Core EPS (sen)	-18.4	-27.7	-24.2	-20.4	-19.0
DPS (sen)	1.0	1.0	1.0	1.0	1.0
Dividend yield	1.5%	1.5%	1.5%	1.5%	1.5%

Balance Sheet (RM'm)	2023A	2024A	2025E	2026F	2027F
PPE	2,371.2	2,319.1	2,279.9	2,222.7	2,144.9
Non-current assets	**3,211.9**	**3,132.3**	**3,104.6**	**3,057.1**	**2,988.3**
Inventories	822.1	842.1	841.3	882.0	909.0
Trade receivables	296.4	317.3	317.7	333.1	343.3
Cash	511.6	545.5	458.8	376.3	337.7
Current assets	**1,902.5**	**1,960.3**	**1,873.2**	**1,846.6**	**1,845.3**
Long-term debt	450.0	309.8	309.8	309.8	309.8
Non-current liabilities	**903.5**	**764.5**	**764.5**	**764.5**	**764.5**
Short-term debt	1,092.6	1,406.4	1,456.4	1,506.4	1,556.4
Trade payables	319.2	315.9	315.6	330.8	341.0
Current liabilities	**1,469.0**	**1,812.3**	**1,862.0**	**1,927.3**	**1,987.4**
Share capital	336.0	336.0	336.0	336.0	336.0
Retained earnings	2,430.4	2,201.6	2,037.2	1,897.8	1,767.6
Equity	**2,741.8**	**2,515.7**	**2,351.3**	**2,211.9**	**2,081.7**

Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
PBT	-121.1	-214.3	-160.6	-135.2	-125.8
D&A	141.7	132.7	139.2	157.3	177.7
Changes in WC	-137.9	-24.3	0.1	-40.7	-27.1
Operating cash flow	**-121.8**	**-24.5**	**-30.1**	**-26.0**	**17.9**
Capital expenditure	-192.4	-100.0	-100.0	-100.0	-100.0
Investing cash flow	**-196.9**	**-86.6**	**-100.0**	**-100.0**	**-100.0**
Dividends paid	-6.5	-6.5	-6.5	-6.5	-6.5
Debt raised/(repaid)	268.6	173.6	50.0	50.0	50.0
Financing cash flow	**267.0**	**154.5**	**43.5**	**43.5**	**43.5**
Net cash flow	**-51.7**	**43.4**	**-86.7**	**-82.6**	**-38.6**
Beginning cash flow	**558.2**	**511.6**	**545.5**	**458.8**	**376.3**
Ending cash flow	**511.6**	**545.5**	**458.8**	**376.3**	**337.7**

Profitability Ratios (%)	2023A	2024A	2025E	2026F	2027F
OP margin	-3.1%	-7.6%	-4.8%	-3.3%	-2.7%
PBT margin	-4.8%	-10.3%	-7.7%	-6.2%	-5.6%
PAT margin	-1.8%	-5.3%	-10.6%	-8.1%	-6.5%
Core PATAMI margin	-4.7%	-8.7%	-7.6%	-6.1%	-5.5%
ROA	-2.3%	-3.6%	-3.2%	-2.7%	-2.6%
ROE	-4.4%	-7.2%	-6.7%	-6.0%	-5.9%

Growth (%)	2023A	2024A	2025E	2026F	2027F
Revenue growth	-17.0%	-17.8%	0.1%	4.8%	3.1%
EBIT growth	<-100%	<-100%	36.4%	27.7%	16.1%
PBT growth	<-100%	-76.9%	25.0%	15.8%	6.9%
Core PATAMI growth	<-100%	-50.9%	12.7%	15.8%	6.9%

Source: Tan Chong, MBSBR

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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