EARNINGS WRAP

Review of Corporate Earnings

Quarter Ended September 2025

- In 3QCY25, the aggregate reported earnings of FBM KLCI 30 current constituents came in at RM17.4b. It registered positive on-quarter growth of +0.7%qoq but negative on-year at -7.4%yoy.
- Within MBSBR Universe, 19% of stocks under coverage reported higher than expected earnings. Moreover, 22% posted earnings that were lower than expected versus 59% which came within expectations. Target price changes involved 31 upward adjustments and 317 downward adjustments. Furthermore, we made 19 changes to our stock recommendations with 11 upgrades and 8 downgrades.
- The aggregate FY2025 earnings of FBM KLCI constituents under our coverage was trimmed by -0.2% to RM66.9b. In contrast, the aggregate FY2026 earnings of FBM KLCI constituents under our coverage was bumped by +1.2% to RM70.8b. Likewise, the aggregate FY2025 earnings of stocks under MBSBR Universe was trimmed by -0.3% to RM86.7b. In contrast, the aggregate FY2026 earnings of stocks under MBSBR Universe was bumped by +1.3% to RM91.9b.
- Overall, the recently concluded 3QCY25 earnings season was largely on target. Hence, the minor adjustments to earnings estimates.
- Going forward, we remain rather sanguine on the local equity market underpinned by positive macro outlook as well as inexpensive PER valuation. We maintain our 2025 price target for FBM KLCI at **1,650** points (or PER25 of 15.3x). Likewise, we also maintain our 2025 price targets for FBM Emas Shariah at **12,500** points (or PER25 of 17.3x) and FBM70 at **18,100** points (or PER25 of 18.3x).

MBSB RESEARCH is a unit of MBSB INVESTMENT BANK
Kindly refer to the last page of this publication for important disclosures

2 December 2025 | Strategy

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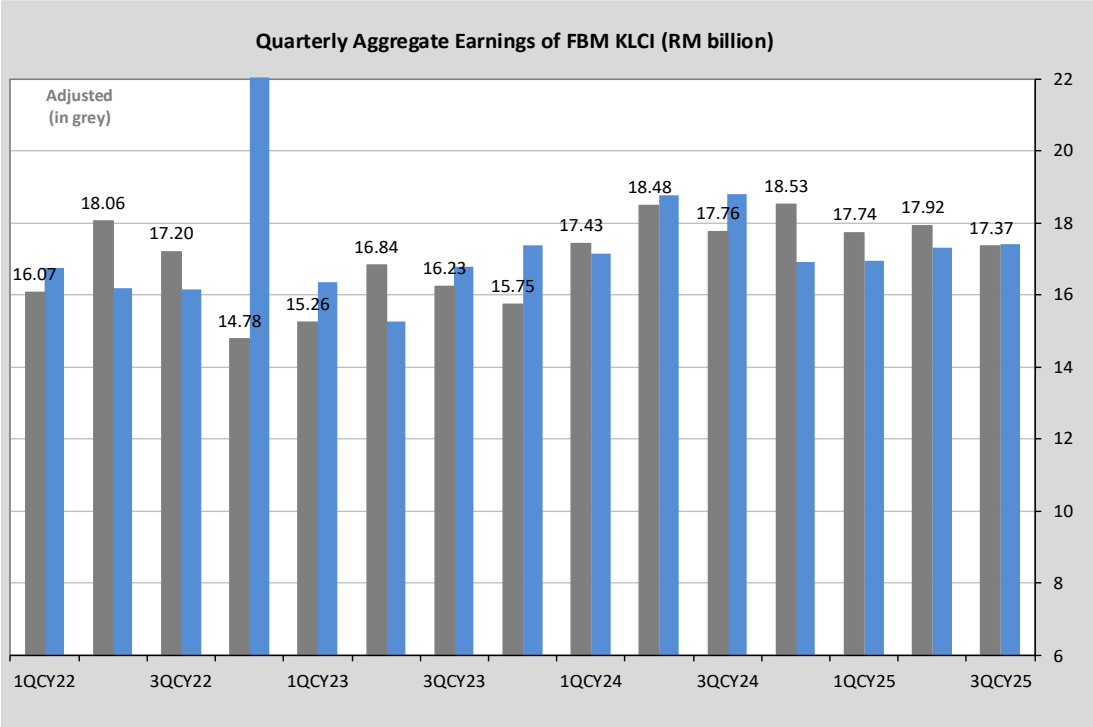
Earnings Wrap

FBM KLCI

In 3QCY25, the aggregate reported earnings of FBM KLCI 30 current constituents came in at RM17.4b. It registered positive on-quarter growth of +0.7%qoq but negative on-year at -7.4%yoy.



Source: Bloomberg, MBSBR

After adjusting extraordinary items incurred during the review quarter (particularly extraordinary losses by Axiata and KL Kepong as well as extraordinary gains by IHH Healthcare and MISC), the aggregate normalized quarterly earnings of FBM KLCI 30 current constituents came in at RM17.4b.

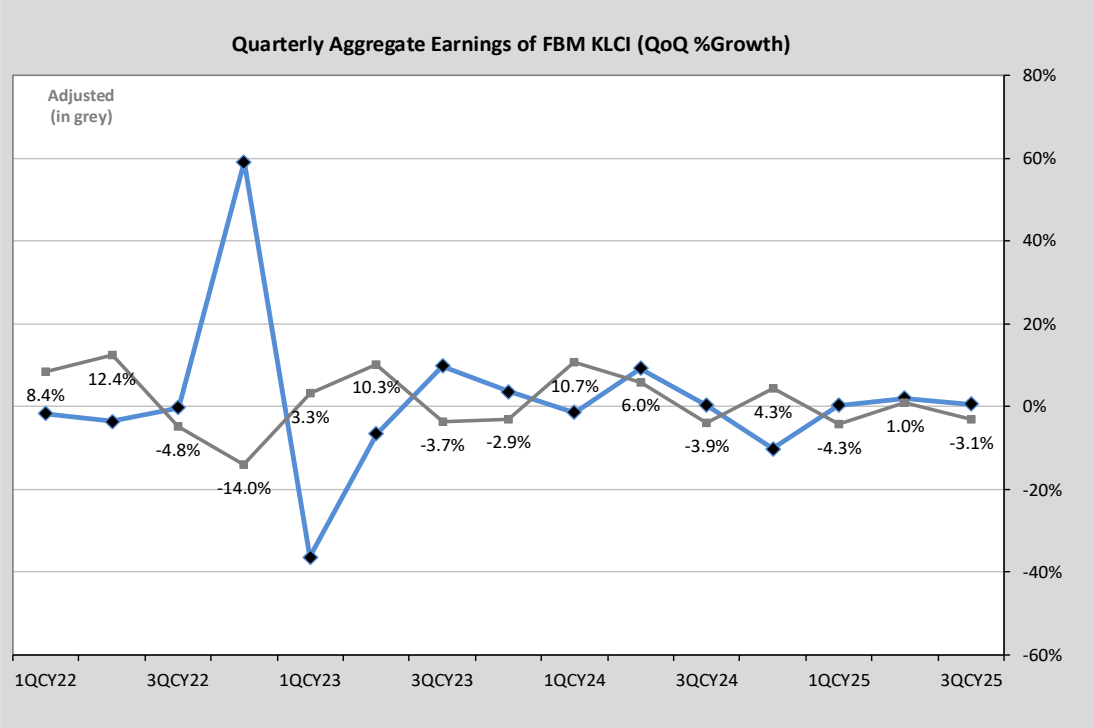
FBM KLCI: Normalized Earnings (RM Million)

SECTOR	3QCY25	2QCY25	QoQ	3QCY24	YoY
CONSTRUCTION	332.20	246.80	34.6%	270.71	22.7%
CONSUMER P&S	931.50	1,836.96	-49.3%	1,461.92	-36.3%
FINANCIAL SERVICES	9,377.00	9,023.00	3.9%	9,252.00	1.4%
HEALTHCARE	462.00	438.00	5.5%	524.00	-11.8%
INDUSTRIAL P&S	547.31	581.01	-5.8%	1,315.68	-58.4%
PLANTATION	1,506.80	1,153.90	30.6%	781.20	92.9%
TELCO & MEDIA	1,601.80	1,433.80	11.7%	1,468.20	9.1%
TRANSPORT & LOGISTICS	463.40	600.90	-22.9%	344.70	34.4%
UTILITIES	2,149.60	2,608.80	-17.6%	2,345.20	-8.3%
TOTAL	**17,371.61**	**17,923.17**	**-3.1%**	**17,763.61**	**-2.2%**

Source: Bloomberg, MBSBR

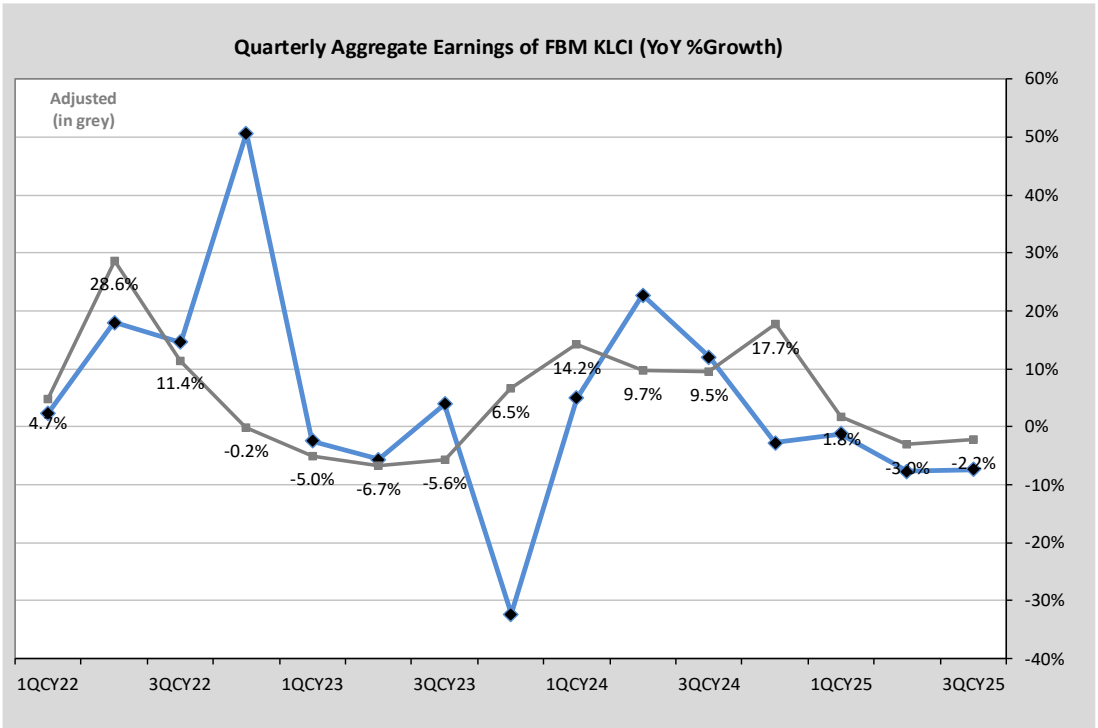
Moreover, after neutralizing the extraordinary items during relevant quarters (3QCY25: +RM54m, 2QCY25: -RM614m, 3QCY24: +RM1.0b), the aggregate normalized growth in 3QCY25 registered both negative on-quarter growth of -3.1%qoq and on-year at -2.2%yoy.

The negative on-quarter normalized growth performance in 3QCY25 was mainly contributed by earnings diminution among its Consumer P&S (PPB Group and Sime Darby) and Utilities (YTL Corp and YTL Power) constituents while moderated by the increase in Financial Services (CIMB Group and RHB Bank) and Plantation (SD Guthrie) earnings.



Source: Bloomberg, MBSBR

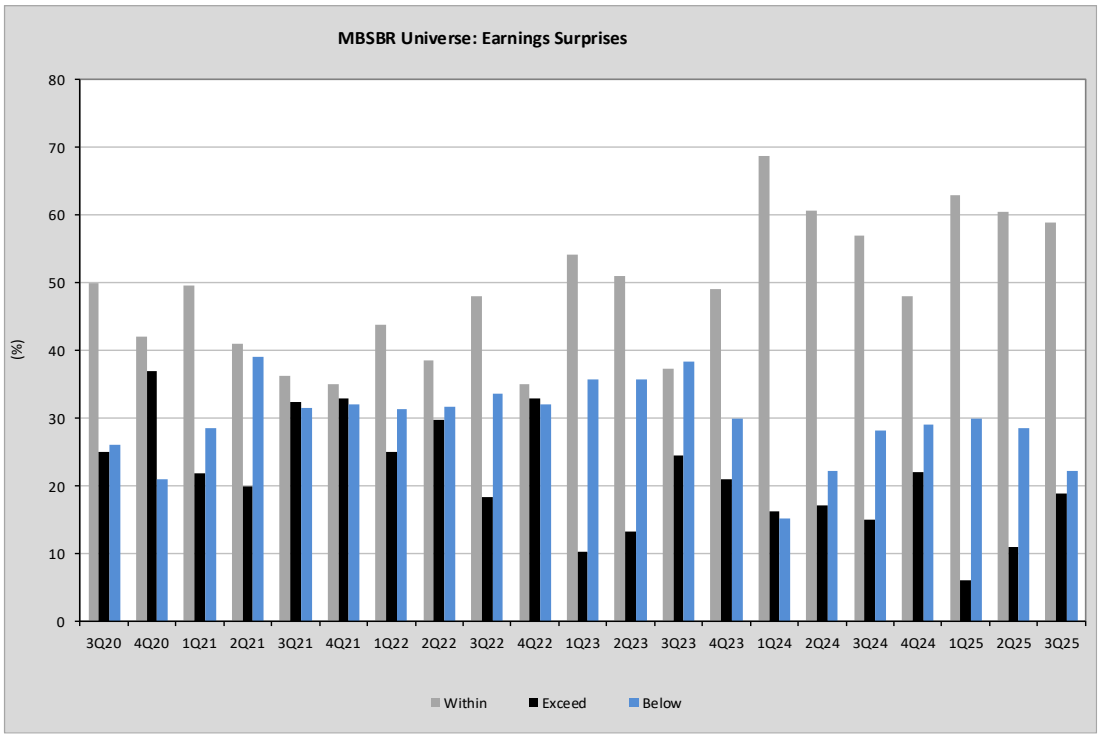
Meanwhile, the negative on-year normalized growth performance in 3QCY25 was mainly due to earnings diminution among its Industrial P&S (Petronas Chemicals) and Consumer P&S (PPB Group and Sime Darby) constituents while moderated by the rise in Plantation (SD Guthrie and KL Kepong) and Financial Services (Maybank and RHB Bank) earnings.



Source: Bloomberg, MBSBR

MBSBR Universe

The percentage of companies in MBSBR Universe that registered earnings above our expectations increased to 19% in 3QCY25 compared to 11% in the prior quarter. Conversely, the percentage of negative surprises declined to 22% from 29% in 2QCY25.



Source: MBSBR

Accordingly, the percentage of companies with results which met expectation fell to 59% in 3QCY25 from 60% in the prior quarter.

Moreover, REITs sector recorded the highest percentage of positive surprises at 33% of stocks under our coverage. Meanwhile, Construction, Healthcare, Technology and Transport & Logistics sectors registered the biggest percentage of underperformers, each at 50% of companies under our coverage.

MBSBR Universe: Earnings Surprises

	Within	Exceed	Below
CONSTRUCTION	25%	25%	50%
CONSUMER PRODUCTS & SERVICES	59%	18%	24%
ENERGY	75%	0%	25%
FINANCIAL SERVICES	71%	14%	14%
HEALTH CARE	33%	17%	50%
INDUSTRIAL PRODUCTS & SERVICES	43%	29%	29%
PLANTATION	86%	14%	0%
PROPERTY	57%	29%	14%
REITS	67%	33%	0%
TECHNOLOGY	25%	25%	50%
TELECOMMUNICATIONS & MEDIA	75%	25%	0%
TRANSPORTATION & LOGISTICS	50%	0%	50%
UTILITIES	67%	17%	17%
TOTAL	**59%**	**19%**	**22%**

Source: MBSBR

In total, we made 19 changes to our stock recommendations with 11 upgrades and 8 downgrades. Furthermore, target price changes involved 31 upward against 17 downward adjustments.

In 3QCY25, the aggregate reported earnings of companies under MBSBR Universe came in at RM22.1b. It recorded both negative on-year growth of -6.2%yoy and on-quarter at -0.7%qoq.

MBSBR Universe: Sectoral Quarterly Net Profit (as reported, RM Million)

	YoY (%)	QoQ (%)	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22
CONSTRUCTION	(13.1)	11.1	492	443	435	445	566	393	563	98	367	370	238	1,315
CONSUMER P&S	(48.7)	(43.8)	1,388	2,468	2,150	-192	2,707	718	1,292	1,275	1,094	2,259	1,355	1,492
ENERGY	(28.8)	11.5	286	257	342	-174	403	501	416	4	217	-133	344	379
FINANCIAL SERV	2.0	5.8	10,922	10,321	10,153	10,391	10,712	10,132	10,033	9,405	9,671	9,143	9,250	8,919
HEALTH CARE	7.5	33.6	812	607	681	908	756	816	860	734	180	164	953	-584
INDUSTRIAL P&S	209.9	47.0	298	-634	399	1,119	-272	1,203	992	544	718	892	790	739
PLANTATION	(5.0)	2.4	1,649	1,611	1,157	1,316	1,736	1,182	576	869	1,834	642	577	1,840
PROPERTY	178.2	(16.8)	1,021	1,226	372	471	367	2,083	480	537	395	466	332	607
REITS	18.9	6.9	551	515	498	1,096	463	490	464	761	723	400	434	642
TECHNOLOGY	(53.8)	(52.7)	122	258	243	282	264	245	249	290	241	203	174	249
TELCO & MEDIA	(37.1)	(6.5)	1,412	1,511	1,316	984	2,245	1,293	1,214	230	484	666	1,042	10,410
TRANSP & LOGIS	41.6	16.5	830	712	932	-170	586	760	1,003	863	670	672	828	912
UTILITIES	(23.9)	(22.1)	2,293	2,942	2,543	2,850	3,015	3,637	2,480	2,589	2,791	2,534	2,466	1,686
TOTAL	**(6.2)**	**(0.7)**	22,076	22,238	21,222	19,324	23,548	23,453	20,625	18,196	19,384	18,278	18,784	28,605

Source: MBSBR

Financial Services, Healthcare, Industrial P&S, REITs and Transport & Logistics were the sectors which recorded improved total earnings (as reported) in 3QCY25 when compared to both the preceding quarter and corresponding period last year.

On the other hand, Consumer P&S, Technology, Telco & Media and Utilities sectors registered both negative sequential and on-year earnings (as reported) growth percentages in 3QCY25.

Sectoral commentary

Automotive: For the automotive sector, 3QFY25 results were generally in line, with national-brand dealers and distributors outperforming their non-national counterparts. MBM Resources (NEUTRAL, RM: RM5.54) continued to benefit from its Perodua exposure, although its dealership arm lagged the brand's overall performance due to receiving a higher share of slower-moving models. Even so, associate contributions rose markedly, aided by the weaker yen, which helped support earnings. Tan Chong's (SELL, RM0.34) losses widened but were still within expectations, given the relatively softer demand for Nissan in Malaysia. Its Vietnam operations, however, continued to gain traction, bolstered by the growing presence of the GAC marque. Additionally, plant utilisation at Tan Chong could rise further, as there are early discussions for the Group to participate in the sub-assembly of Perodua's upcoming EV.

Consumer (Staples): The staples segment delivered a steady set of results, with six companies within expectations, one above, and one below. Spritzer (NEUTRAL, TP: RM2.54) outperformed expectations, supported by stronger bottled water demand, firmer ASPs and sustained cost efficiencies that lifted earnings +22.1%yoy. Life Water (NEUTRAL, TP: RM1.11) posted results in line, anchored by higher production volume and the consolidation of Twinine, though profitability normalised following the expiry of reinvestment allowances. F&N (BUY, TP: RM32.08) was also within expectations, maintaining stable profitability despite Indochina headwinds and a higher tax load. Nestlé (NEUTRAL TP: RM94.50) reported in line with robust domestic and export-led demand offsetting elevated cocoa and coffee prices. QL Resources (NEUTRAL, TP: RM4.33) likewise delivered results within expectations, as ILF strength and POCE consolidation helped cushion softer MPM, CVS and solar earnings. Leong Hup (BUY, TP: RM0.90) also came in within expectations, with stronger poultry margins in Malaysia and the Philippines balancing Feedmill softness. Hup Seng (NEUTRAL, TP: RM0.92) reported in line, as domestic growth offset export weakness despite persistent input cost pressure. In contrast, PPB (NEUTRAL, TP: RM10.89) fell short of expectations, with a sharp decline in Wilmar's contribution, following an exceptional one-off penalty, overshadowing improved operating performance across PPB's core segments.

Consumer (Discretionary): The discretionary segment saw performance below expectations, with only one company meeting expectations. Oriental Kopi (SELL, TP: RM1.03) came in within expectations, delivering a steady quarter, with 4QFY25 revenue supported by stronger café footfall and improving FMCG traction, though earnings moderated on an unusually high effective tax rate from non-deductible start-up costs. AEON (BUY, TP: RM1.66) reported results below expectations, as resilient PMS contributions were unable to fully offset softer retail sales amid muted consumer spending and the impact of SARA-driven channel shifts. Meanwhile, Padini (BUY, TP: RM2.22) opened FY26 below expectations despite topline and margin expansion; earnings

lagged earlier forecasts due to softer post-festive discretionary demand and weaker operating leverage, prompting downward revisions to forward estimates.

Financial Services: Banking names this quarter saw severe NIM compression, though strong NOII performance provided a buffer, though the windfall was more muted compared to previous quarters. NIM outlook is a lot more positive this time, with several banks guiding for flattish NIMs in the near term. While multiple banks saw large-scale recoveries, some used it as an opportunity to make larger provisions. More important was the recovery in business loans, a good indicator of stronger growth in subsequent quarters. A few banks are issuing special dividends or at least are committed to increasing their payout. We are wary that a return of intense deposit competition may occur, given the tightening liquidity and higher loan growth expectations in CY26. As for insurance, we are impressed with growth figures, while combined ratio remains reasonable. Next quarter could be harder quarter, given the return of monsoon season.

Healthcare (Gloves): The gloves sector had seen a gradual recovery to pre-pandemic levels following stabilising ASPs within USD19-21 per 1000pc and rising demand for nitrile gloves. This is reflected for Top Glove Corp (BUY, TP: RM0.78) and Kossan Rubber Industries (BUY, TP: RM1.30) 3QFY25 core earnings, which were above and within expectations, respectively. Top Glove had the biggest return to black in its FY25 earnings (ending August), boosted by higher sales volume and utilisation rates of about 75%. For Kossan, despite lower profits for its technical rubber gloves due to lower deliveries, nitriles and cleanrooms remain on a higher demand. However, the sector is still fragmented by oversupply, pricing pressures, strengthening MYR against USD and transportation disruptions, subsequently posing a risk to margins. In 3QFY25, Hartalega Holdings (NEUTRAL, TP: RM1.19) saw 2QFY25 (ending March) earnings dropping due to these challenges, although cost optimisation and higher plant utilisation provided a floor for its performance. Nevertheless, we opine long-term prospects for the sector will be better in CY26 over demand recovery.

Healthcare (Pharmaceuticals): Pharmaceuticals had been largely champions on a global scale, led by innovative, high-value drugs and continuous R&Ds for metabolic and selective drugs. Specialty medicines are projected for over 50% of global pharmaceutical spending by the end-year, buoyed by AI-tech and governmental support. These tailwinds are mirrored in Malaysia's pharmaceutical players. However, we noted the persistent pricing pressure for generics, higher API prices, slower uptake in the private sector and regulatory risks are challenges that pharmaceutical companies faced. For Pharmaniaga (BUY, TP: RM0.29), the higher cost from the government's request to urgently distribute new APPL drugs to East Malaysia had dragged its 3QFY25 performance down. Nonetheless, we expect this to be a one-off expense and Pharmaniaga's return into the sector would be more evident post-PN-17 in FY26, largely to be contributed by its biopharmaceuticals division.

Healthcare (Service Providers): Global trends for hospitals and healthcare services saw a sustained patient demand driven by post-pandemic backlog and ongoing NCD crisis. This is reflected in Malaysia's operations as well, in addition to demands from the medical tourism sector. Key players like KPJ Healthcare (NEUTRAL, TP: RM2.76) and IHH Healthcare (NEUTRAL, TP: RM8.25) reported strong revenue growth, despite KPJ falling short of our expectations, while IHH maintained within. Despite the lower cumulative earnings from our estimates, KPJ's 3QFY25 earnings added due to higher inpatient and outpatient treatments, surgeries and beds occupied. Conversely, IHH's overall earnings slipped from higher operational and expansion costs. We maintained a NEUTRAL call for KPJ, and downgraded IHH to a NEUTRAL as well, following limited upsides. The downside risks on hospitals may also cap margins in the near term, which include: (i) rising medical inflation, (ii) fixed pricing from DRG system and other regulatory changes, (iii) 6% SST on foreign patients, and (iv) rising cost for medical workers. For IHH, an additional risk on currency volatility (TRY weakening against MYR) also warrants the downgrade.

Oil & Gas: Earnings of oil and gas companies under our coverage for 3QFY25 were mainly in line with our expectations. Among the nine companies under our coverage, all but Bumi Armada met our expectations. The deviation of Bumi Armada was due to lower operating and maintenance revenue from the Kraken FPSO, as well as a higher base of 2QFY25 from earnings distribution from the Trustee of the bankrupt former charterer of the Armada Perdana FPSO in Q2 2025. In terms of earnings growth, Upstream companies such as Bumi Armada, Deleum, and Malaysia Marine & Heavy Industries recorded lower earnings in the 9MFY25 than in the previous corresponding period. The expected weakness was due to a challenging market landscape, as crude oil prices faced downward pressure amid a looming surplus. The challenging climate thus reduces capex spending in the industry as players become more cautious and implement a "wait and see" approach. In the midstream segment, Dialog and MISC reported more stable earnings growth than their upstream counterparts. The main underlying difference in performance stemmed from the defensive nature of their business models. Furthermore, midstream players generally perform better in a lower oil-price environment. Moving to the downstream segment, Petronas Chemicals reported another weak set of earnings, as lower product prices, especially in olefins & derivatives and specialties, weighed on earnings, while fertilizer and methanol showed greater stability due to better supply and demand dynamics. Meanwhile, Petronas Dagangan recorded lower earnings growth due to a weakening trend in MOPS prices, which impacted its revenue and profitability. In the gas distribution segment, Petronas Gas and Gas Malaysia generally recorded slightly lower earnings in the 9MFY25 compared to 9MFY24 due to the unfavorable tariff revisions and the Putra Heights incident, although their product demand remained stable. In conclusion, we maintain our NEUTRAL call on the sector, as most of the companies under coverage reported earnings in line with expectations. For the sectoral outlook, we expect the downside risks to persist due to a higher crude oil surplus in 2026.

Plantation: In 3QCY25, planter performance under our coverage was mixed, with 5 companies reporting within and 2 above expectations. Earnings were generally decent, partly lifted by the elevated average CPO price realized, despite averagely flattish FFB and CPO production. Slower CPO sales volume was seen in the quarter following averagely muted OER of around 19-20% recorded. The ASP of CPO inched to RM4,271/Mt (+5.3%qoq, +7.1%yoy) as muted production growth escalated supply concerns and reduced market availability. Having said that, Malaysian CPO output narrowed -0.9%yoy, underpinned by delayed crops seasonality from July through September. This led to marginally higher production costs, with slower CPO sales and lower mills utilization translating into higher unit costs and narrower margins. Looking ahead, we maintain our NEUTRAL stance on the sector, with average CPO price assumption of RM4,300/Mt for the year. The outlook remains hazy in between supply and demand dynamic, where shortage in PO might be coming by neighbour aggressiveness policy such as impending B50 implementation in 2HCY26 by government of Indonesia. Meanwhile, demand failed to gain traction despite widened spread discount between the SBO, reflecting cautious sentiment. We like SD Guthrie (BUY, TP: RM6.15) given rerating catalyst on the stock.

Property: From the recently concluded earnings reporting season, earnings of property companies were largely in line with two companies reported earnings surprise namely UOA Development and IOI Properties. Earnings of UOA Development came in stronger than expected due to lower-than-expected cost and the higher-than-expected progress billing. Similarly, IOI Properties reported earnings that beat expectation due to lower-than-expected financing cost and stronger-than-expected earnings contribution from property investment segment. Meanwhile, most of the property companies recorded earnings growth in 3QCY25 and 9MCY25 except for Sunway Berhad and S P Setia. The earnings growth of property companies is largely driven by stable earnings recognition from ongoing projects and better new sales achieved in CY24 and CY25. Sunway Berhad recorded earnings decline in 9MCY25 due to high base earnings in 9MCY24 as well as the start-up losses of SMC Damansara and SMC Ipoh. Similarly, S P Setia recorded lower earnings in 9MCY25 due to high base effect. On new property sales, it was mostly in line with management expectations, underscoring the strength of property market in Malaysia. Overall, we maintain our Positive stance on property sector.

REITs: For the recently concluded earnings reporting season, four out of six REIT under our coverage reported earnings that met expectations. Meanwhile, two REIT namely Sunway REIT and Pavilion REIT reported earnings that beat expectations. Sunway REIT recorded strong earnings growth in 9MCY25 mainly due to the improved performance of hotel division and the resilient retail division which was spurred by positive rental reversion. Similarly, Pavilion REIT earnings came in more strongly than expected due to higher-than-expected contribution from Elite Pavilion Mall and lower expenses. Overall, earnings growth of REIT is positive in 9MCY25, driven mainly by the stable backdrop of retail industry and improving hotel industry. Going forward, earnings of REIT are expected to remain resilient due to Visit Malaysia 2026. Nevertheless, we maintain our NEUTRAL call on REIT as average yield of REIT is compressed at 4.5%.

Technology: Mixed expectations were seen in 3QCY25 for semiconductors under our coverage. Unisem posted better-than-expected quarterly earnings in view of the outperformance from the Chengdu operation as the China-for-China strategy continues to yield positive results. This led to year-over-year and sequential improvement for 3QCY25 earnings. However, on a year-to-date basis, the cumulative 9MFY25 earnings still came in -35.0%yoy lower as compared to 9MFY254 earnings. This was mainly due to subdued performance from its Ipoh operation which negatively impacted the group's overall performance. This should lead to full year FY25 earnings coming in lower as compared to FY24. Meanwhile, both Inari and D&O posted weaker-than-expected quarterly performance as the improvement in revenue was minimal, which is not in tune with the seasonal trend. While there is sequential quarterly improvement, both groups still recorded lower year-over-year performance. Note that we also downgraded our recommendation for D&O to SELL from NEUTRAL with a lower target price of RM0.77 as we expected the automotive market to remain challenging. All-in-all, we view that recovery in the semiconductor space is not forthcoming in 3QCY25. On another note, Zetrix continues to record steady earnings improvement supported by the contribution from the Zetrix platform as it posted double-digit YoY earnings growth, in line with our expectations.

Telecommunications: For 3QCY25, the telecommunication companies under our coverage generally perform in line with our expectations. Only Telekom Malaysia posted a better-than-expected performance, mainly led by lower effective tax rate of 4.5% in view of reassessment of deferred tax provisions. Nonetheless, we keep our NEUTRAL recommendation with an unchanged DCF-derived target price of RM7.21 as we expect mixed revenue performance to persist and the tax reassessment exercise to be one-off. Both Maxis and Celcomdigi's results came in within expectations. However, we downgrade Maxis to NEUTRAL with a lower target price of RM3.90 as we anticipate higher financial responsibility emanating from DNB. On another note, Axiata's 3QFY25 financial performance also came in within expectations. We also upgraded our recommendation for Axiata to NEUTRAL with a revised target price of RM2.29 as the group remarkably reduced the borrowing at the holding company's level.

Transportation: For aviation, Capital A's (BUY, TP: RM1.26) 3QFY25 results came in above expectations even though passenger numbers were slightly weaker and average fares eased due to softer tourism demand in Thailand. The outperformance was mainly driven by lower maintenance and fuel expenses. In the ports segment, Westports (NEUTRAL, TP: RM4.90) delivered results that were broadly in line. Throughput growth was largely supported by higher transshipment volumes driven by stronger restow activity, while gateway volumes were mostly flat. Earnings also benefited from the tariff revision implemented in mid-July. Meanwhile, it was a weak quarter for logistics players, with both Tasco (BUY, RM:0.64) and Swift Haulage (NEUTRAL, RM: 0.35) reporting results below expectations. Tasco faced challenges from softer volumes and rates in its freight forwarding segment,

compounded by the loss of a couple of major customers due to plant shutdowns and capacity constraints. Swift's underperformance was mainly due to margin pressure in land transport, stemming from a higher mix of small-truck jobs, and in warehousing, where a greater share of labour-intensive handling work weighed on profitability.

Outperformer versus underperformer

There was a sequential decline in the number of outperformers among FBM KLCI constituents under our coverage from 3 to 2 in 3QCY25. Likewise, the number of underperformers was sequentially lower from 5 to 2 in the review quarter.

In 3QCY25, the 2 outperformers were RHB Bank and Telekom Malaysia. Meanwhile, the 2 underperformers were PPB Group and Tenaga Nasional.

FBM KLCI: Outperformer versus Underperformer

Financial Quarter	No. of Outperformer	No. of Underperformer
3QCY25	2	2
2QCY25	3	5
1QCY25	2	5
4QCY24	6	6
3QCY24	3	7

Source: MBSBR

Earnings revisions

Since the previous results season (i.e. September onwards), the aggregate FY2025 earnings of FBM KLCI constituents under our coverage was trimmed by -0.2% to RM66.9b. In contrast, the aggregate FY2026 earnings of FBM KLCI constituents under our coverage were bumped by +1.2% to RM70.8b. In this regard, the downward adjustments to aggregate FY2025 earnings mainly came from Consumer P&S constituents while upward revisions to aggregate FY2026 earnings mainly came from Plantation constituents.

FBM KLCI: Earnings Revisions (RM million)

SECTOR	Constituents	FY2025	FY2026
CONSTRUCTION	Gamuda	5	0
CONSUMER P&S	Nestle, Petronas Dagangan, PPB, QL Res	-635	-99
FINANCIAL SERVICES	Maybank, Public, CIMB, RHB, HLB, HLFG	138	0
HEALTHCARE	IHH Health	0	0
INDUSTRIAL P&S	Petronas Chemicals, Sunway	3	68
PLANTATION	SD Guthrie, IOI Corp, KLK	120	836
TELCO & MEDIA	Axiata, Maxis, Digi, Telekom Malaysia	194	3
TRANSPORT & LOGISTICS	MISC	1	-0
UTILITIES	TNB, Petronas Gas, YTL Corp, YTL Power	69	0
TOTAL		**-106**	**808**

Source: MBSBR

Likewise, since the previous results season (i.e. September onwards), the aggregate FY2025 earnings of stocks under MBSBR Universe was trimmed by -0.3% to RM86.7b. In contrast, the aggregate FY2026 earnings of stocks under MBSBR Universe were bumped by +1.3% to RM91.9b.

Refer to APPENDIX for further details.

Recommendation Upgrades and Downgrades

The list of stocks which we have upgraded our recommendations on is as follows:

Company	Sector	Results	Recommendation		TP (RM)	
			Previous	New	Previous	New
Capital A	Consumer discretionary	Above	NEUTRAL	BUY	0.95	1.26
SD Gutrie	Plantation	Above	NEUTRAL	BUY	5.43	6.15
Sunway REIT	REIT	Above	NEUTRAL	BUY	2.10	2.34
Top Glove	Healthcare	Above	NEUTRAL	BUY	0.70	0.78
TSH	Plantation	Above	NEUTRAL	BUY	1.23	1.48
YTL Corp	Utilities	Within	T. BUY	BUY	2.99	3.01
Tactical upgrades						
Kossan	Healthcare	Within	NEUTRAL	BUY	1.29	1.30
Axiata	Telecommunication	Within	SELL	NEUTRAL	1.88	2.29
MSM Malaysia	Consumer staple	Within	SELL	NEUTRAL	0.71	1.01
Nestle	Consumer staple	Within	SELL	NEUTRAL	77.90	94.50
Petronas Chemical	Industrial	Below	SELL	NEUTRAL	3.01	3.01

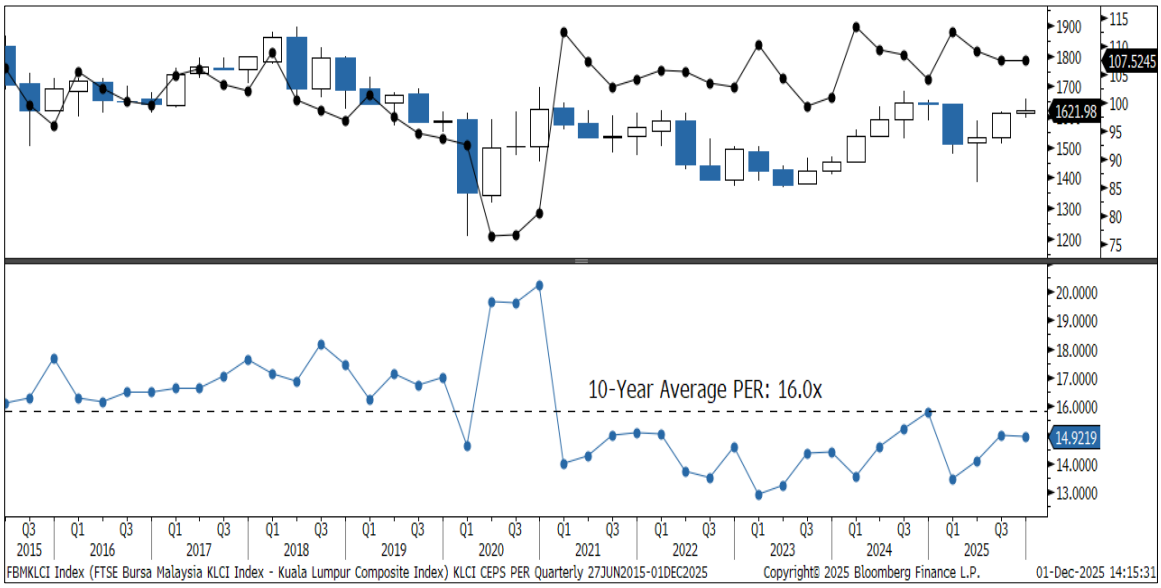
The list of stocks which we have downgraded our recommendations on is as follows:

Company	Sector	Results	Recommendation		TP (RM)	
			Previous	New	Previous	New
Affin	Finance	Below	BUY	NEUTRAL	2.53	2.17
Sunview	Utilities	Below	BUY	NEUTRAL	0.46	0.40
D&O	Technology	Below	NEUTRAL	SELL	0.95	0.77
Tactical downgrades						
IHH	Healthcare	Within	BUY	NEUTRAL	8.18	8.25
Pavilion REIT	REIT	Above	BUY	NEUTRAL	1.88	1.94
MBM Resources	Consumer discretionary	Within	BUY	NEUTRAL	5.54	5.54
MISC	Transport	Within	BUY	NEUTRAL	8.13	8.13
Maxis	Telecommunication	Within	BUY	NEUTRAL	4.19	3.90

Earnings and valuation

FBM KLCI: Post-3QCY25 earnings season, the consensus EPS25 estimate for FBM KLCI stands at 107.5 points (end-08/25: 108.3 points). The prevailing PER valuation of FBM KLCI (which represents large-cap stocks) at 14.9x is relatively cheap vis-à-vis its 10-Year historical average of 16.0x.

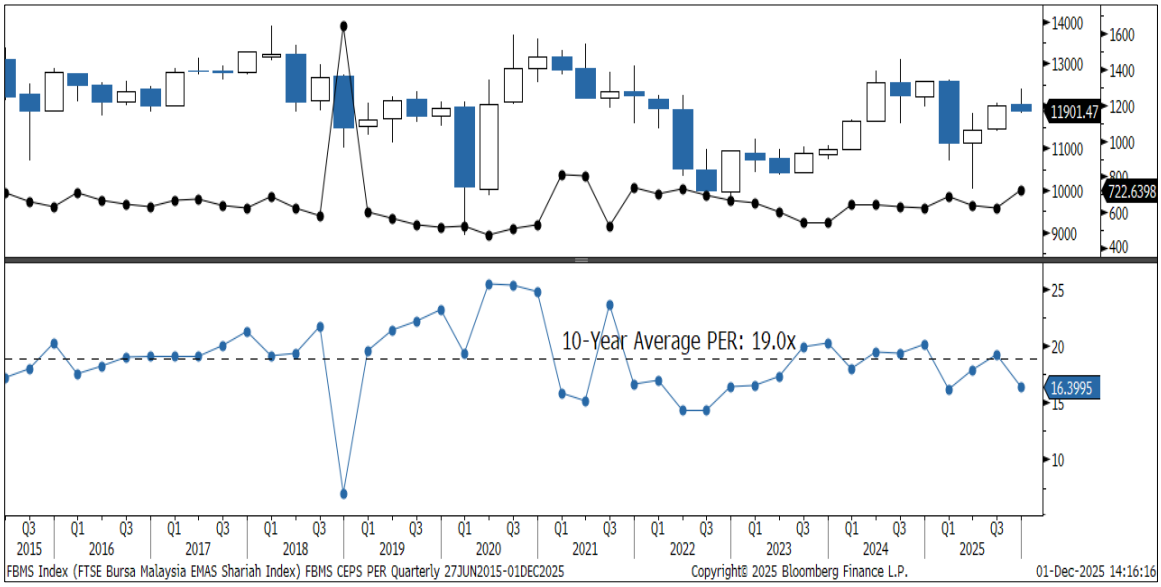
FBM KLCI: Price, Earnings and PER valuation



Source: MBSBR, Bloomberg (G5)

FBM Emas Shariah: Post-3QCY25 earnings season, the consensus EPS25 estimate for FBM Emas Shariah stands at 722.6 points (end-08/25: 633.5 points). The prevailing PER valuation of FBM Emas Shariah (which represents all shariah stocks) at 16.4x is relatively cheap vis-à-vis its 10-Year historical average of 19.0x.

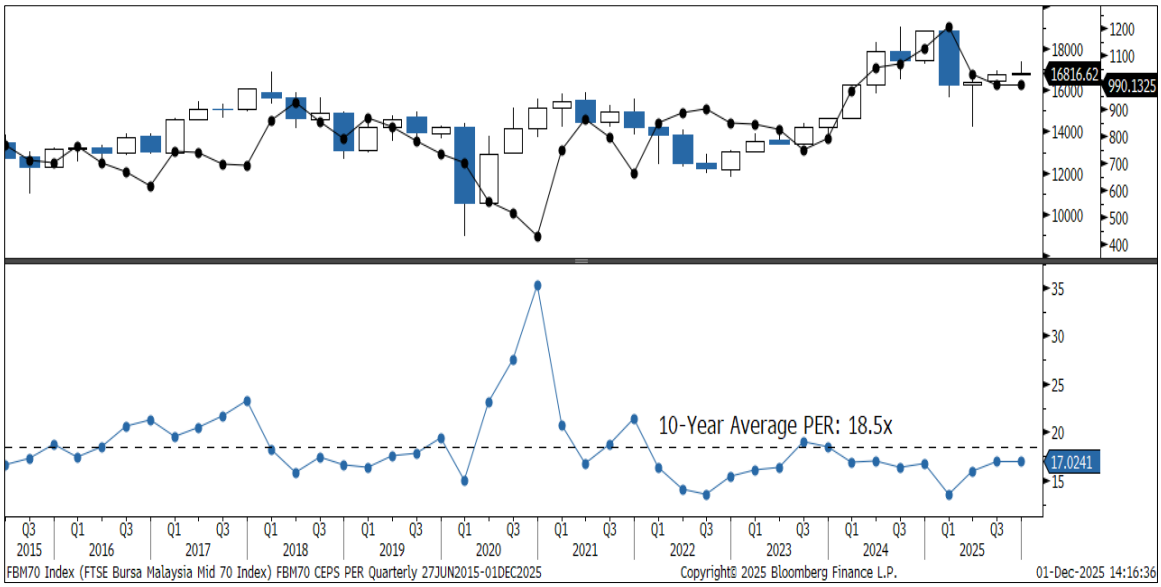
FBM Emas Shariah: Price, Earnings and PER valuation



Source: MBSBR, Bloomberg (G6)

FBM70: Post-3QCY25 earnings season, the consensus EPS25 estimate for FBM70 stands at 990.1 points (end-08/25: 1,000.2 points). The prevailing PER valuation of FBM70 (which represents mid-cap stocks) at 17.0x is relatively cheap vis-à-vis its 10-Year historical average of 18.5x.

FBM70: Price, Earnings and PER valuation



Source: MBSBR, Bloomberg (G7)

Price targets

Overall, the recently concluded 3QCY25 earnings season was largely on target. Hence, the minor adjustments to earnings estimates.

Going forward, we remain rather sanguine on the local equity market underpinned by positive macro-outlook as well as inexpensive PER valuation. We maintain our 2025 price target for FBM KLCI at **1,650** points (or PER25 of 15.3x). Likewise, we also maintain our 2025 price targets for FBM Emas Shariah at **12,500** points (or PER25 of 17.3x) and FBM70 at **18,100** points (or PER25 of 18.3x).

APPENDIX

MBSBR: Changes in Aggregate Earnings Forecasts

	EARNINGS (RM mn)				EARNINGS *(% Chg)*	
	FY2025		FY2026		FY2025	FY2026
	Old	New	Old	New		
TOTAL (MBSBR Universe)	86,944.4	86,707.3	90,759.2	91,905.4	*(0.3)*	*1.3*
Annual % Change	*(0.7)*	*(1.0)*	*4.4*	*6.0*		
TOTAL (FBM KLCI)*	67,004.0	66,897.8	70,002.2	70,810.0	*(0.2)*	*1.2*
Annual % Change	*(2.2)*	*(2.4)*	*4.5*	*5.8*		

Source: MBSBR; * Aggregate earnings of 26 FBM KLCI constituents under MBSBR coverage

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STOCK RECOMMENDATIONS	
BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	Stock prices are expected to *rise* by >10% within 3 months after a Trading Buy rating has been assigned due to positive newsflow.
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	Stock prices are expected to *fall* by >10% within 3 months after a Trading Sell rating has been assigned due to negative newsflow.
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