Corporate Update

99 Speed Mart Retail Holdings Berhad

(5326 | 99SMART MK) Main | Consumer Products & Services

ESG 2 Stars

Maintain **BUY**

Unchanged Target Price **RM4.41**

4QFY25 Results Review

Network Expansion Fuels Earnings Momentum

Maintain BUY with unchanged TP of RM4.41. 99 Speed Mart delivered a strong 4QFY25 performance, with results coming in within expectations, underpinned by continued network expansion, resilient same-store sales growth, and sustained demand for daily essentials. The quarter was supported by positive contributions from new outlets, steady basket size improvement, other operating income growth, and increasing traction from its bulk sales e-commerce platform, while margins remained stable despite higher operating costs from minimum wage adjustments and outlet additions. We leave our forecasts unchanged and maintain our **BUY** call and **TP** of **RM4.41**, premised on a 45x PER pegged to FY27 EPS of 9.8 Sen.

Within expectations. 99 Speed Mart reported 4QFY25 revenue of RM3.08b (+19.0%yoy; +1.3%qoq) and core PATAMI of RM159.8m (+22.2%yoy; -2.7%qoq). This brought FY25 core PATAMI to RM632.9m (+19.0%yoy), accounting for 99% of both our and consensus full-year forecasts. No dividend was declared for the quarter.

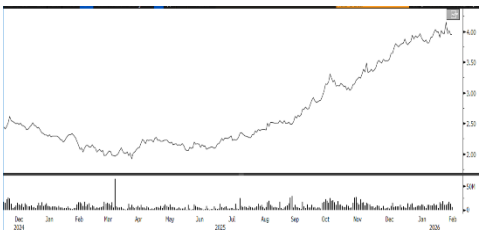
Revenue driven by outlet expansion and resilient same-store sales growth. 99 Speed Mart's 4QFY25 revenue rose +19.0%yoy to RM3.08b, supported by continued outlet expansion, stronger consumer spending on daily essentials and solid same-store sales growth of +11.6%yoy. The Group ended the year with 3,037 outlets, following a net addition of 259 stores in FY25, while total sales transactions increased +17.4%yoy with a slightly higher average basket size of RM21.7 (4QFY24: RM21.4). On a full-year basis, FY25 revenue grew +14.6%yoy to RM11.43b, underpinned by new store contributions and incremental sales from its bulk e-commerce platform, while total sales transactions grew +14.3%yoy to 532.0 million and basket size averaged RM21.5 through the year.

Earnings growth supported by operating leverage and higher other income. 99 Speed Mart's 4QFY25 core PATAMI increased 22.2%yoy to RM159.8m, outpacing revenue growth, driven by stronger gross profit expansion and improved operating leverage from higher sales volumes and outlet expansion. On a full-year basis, FY25 core PATAMI rose +19.0%yoy to RM632.9m, underpinned by resilient same-store sales growth (+7.8%yoy), disciplined cost management and sustained benefits from scale across its expanded store base, namely higher other operating income, which saw an increase of +15.3%yoy to RM939.6m that further supported profitability despite increased staff and depreciation costs.

Outlook. We maintain a positive view on 99 Speed Mart, underpinned by its scale-driven cost advantage, staples-focused demand profile, and disciplined rollout of ~250 outlets annually. Its "Near 'n Save" value positioning keeps it aligned with resilient mass-market spending, supported by stable employment and ongoing fiscal assistance. Continued network densification, logistics optimisation and positive SSSG should sustain operating leverage, while expansion of its bulk sales platform offers incremental growth upside.

RETURN STATISTICS	
Price @ 13th Feb 2026 (RM)	3.95
Expected share price return (%)	+11.7
Expected dividend yield (%)	+1.2
Expected total return (%)	+13.0

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-0.3	-1.8
3 months	3.7	14.4
12 months	84.7	69.0

INVESTMENT STATISTICS

FYE JUNE (RM'm)	2025A	2026F	2027F
Revenue	11,433.3	13,154.7	14,850.3
EBITDA	861.5	934.0	1,054.4
PBT	824.0	987.7	1,107.3
Core PATAMI	633.0	734.9	823.9
Core EPS (sen)	7.5	8.7	9.8
DPS (sen)	3.8	4.4	4.9
Dividend Yield (%)	0.9	1.1	1.2

KEY STATISTICS

FBM KLCI	1,739.54
Issued shares (m)	8400.00
Estimated free float (%)	16.97
Market Capitalisation (RM'm)	33,180.00
52-wk price range	RM1.91 - RM4.15
3-mth average daily volume (m)	9.94
3-mth average daily value (RM'm)	36.71
Top Shareholders (%)	
LEE LYG HOLDINGS	51.50
Lee Thiam Wah	28.18
Employees Provident Fund Board	5.03

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99 Speed Mart: 4QFY25 Results Summary

FYE June (RM'm)	Quarterly results					Cumulative results		
	4QFY25	3QFY25	4QFY24	YoY (%)	QoQ (%)	12MFY25	12MFY24	YoY (%)
Revenue	3,076.1	3,037.8	2,584.7	19.0	1.3	11,433.3	9,979.6	14.6
Cost of Sales	(2,745.2)	(2,709.5)	(2,320.2)	18.3	1.3	(10,134.5)	(8,978.9)	12.9
Gross Profit	**330.9**	**328.3**	**264.5**	**25.1**	**0.8**	**1,298.7**	**1,000.7**	**29.8**
Other operating income	268.1	241.2	235.7	13.7	11.1	939.6	918.4	2.3
Other income	13.2	17.3	12.3	6.9	(24.0)	53.8	30.4	76.8
Administrative and other operating expense	(391.0)	(363.1)	(335.3)	16.6	7.7	(1,430.7)	(1,245.9)	14.8
EBIT	221.1	223.7	177.2	24.7	(1.2)	861.5	703.6	22.4
Net finance income/(cost)	(11.6)	(10.6)	(11.7)	(1.2)	9.4	(37.5)	(45.0)	(16.6)
PBT	209.5	213.1	165.5	26.6	(1.7)	823.9	658.6	25.1
Taxation	(51.6)	(50.9)	(41.1)	25.5	1.3	(199.3)	(168.3)	18.4
PAT	157.9	162.2	124.4	26.9	(2.6)	624.6	490.3	27.4
Core PATAMI	159.8	164.2	130.8	22.2	(2.7)	632.9	532.0	19.0
Core EPS (sen)	1.9	2.0	1.6	22.2	(2.7)	7.5	6.3	19.0
DPS (sen)	0.0	2.3	0.0	N/A	(100.0)	4.5	0.0	N/A
Growth & Margin (%)				+/(-) ppts	+/(-) ppts			+/(-) ppts
Gross Profit Margin	10.8	10.8	10.2	0.5	(0.1)	11.4	10.0	1.3
EBIT Margin	7.2	7.4	6.9	0.3	(0.2)	7.5	7.1	0.5
PBT Margin	6.8	7.0	6.4	0.4	(0.2)	7.2	6.6	0.6
Core PATAMI Margin	5.2	5.4	5.1	0.1	(0.2)	5.5	5.3	0.2

Source: Company, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026F	2027F	2028F
Revenue	9,981.6	11,433.3	13,154.7	14,850.3	16,003.3
Gross Profit	1,104.3	1,298.7	1,420.7	1,603.8	1,728.4
EBITDA	949.6	861.5	934.0	1,054.4	1,136.2
EBIT	703.6	861.5	934.0	1,054.4	1,136.2
PBT	658.6	824.0	987.7	1,107.3	1,188.8
Taxation	(168.3)	(199.3)	(252.9)	(283.5)	(304.3)
PAT	490.3	624.6	734.9	823.9	884.4
Core PATAMI	532.0	633.0	734.9	823.9	884.4
Core EPS (sen)	6.3	7.5	8.7	9.8	10.5
PER (x)	63.2	53.1	45.7	40.8	38.0
DPS (sen)	2.4	3.8	4.4	4.9	5.3
Dividend Yield (%)	0.6	0.9	1.1	1.2	1.3

Cash Flow (RM'm)	2024A	2025A	2026F	2027F	2028F
PBT	658.6	824.0	987.7	1,107.3	1,188.8
Operating cash flow	488.5	900.4	882.6	955.4	1,026.4
Investing cash flow	(365.6)	58.1	(180.6)	(193.8)	(203.9)
Financing cash flow	237.6	(558.6)	(345.0)	(383.3)	(408.1)
Net cash flow	360.6	399.8	357.0	378.2	414.5
Beginning cash flow	137.6	498.1	897.9	1,254.9	1,633.1
Ending cash flow	498.1	897.9	1,254.9	1,633.1	2,047.6

Growth (%)	2024A	2025A	2026F	2027F	2028F
Revenue Growth (%)	8.4	14.5	15.1	12.9	7.8
Gross Profit Growth (%)	31.2	17.6	9.4	12.9	7.8
EBITDA Growth (%)	18.2	(9.3)	8.4	12.9	7.8
Core PATAMI Growth (%)	32.5	19.0	16.1	12.1	7.4

Profitability Ratios (%)	2024A	2025A	2026F	2027F	2028F
Gross Profit Margin	11.1	11.4	10.8	10.8	10.8
EBITDA Margin	9.5	7.5	7.1	7.1	7.1
EBIT Margin	7.0	7.5	7.1	7.1	7.1
Core PATANCI Margin	5.3	5.5	5.6	5.5	5.5

Balance Sheet (RM'm)	2024A	2025A	2026F	2027F	2028F
PPE	576.3	671.8	583.8	591.2	604.4
Right of use assets	865.7	943.4	734.7	692.5	661.9
Total Non-current assets	1,454.7	1,623.4	1,350.8	1,316.0	1,298.6
Inventories	1,339.0	1,450.1	1,607.4	1,814.6	1,955.5
ST Trade and other receivables	69.4	104.5	97.7	102.6	105.9
Cash and cash equivalents	698.1	897.9	1,254.9	1,633.1	2,047.6
Total current assets	2,106.5	2,452.4	2,960.1	3,550.3	4,109.0
Total Assets	3,561.2	4,075.8	4,310.9	4,866.3	5,407.7
Total Equities	1,579.0	1,815.1	2,182.6	2,594.5	3,036.7
LT Loans and borrowings	0.0	0.0	12.1	16.6	21.1
Total Non-current liabilities	770.5	841.9	671.8	661.1	655.3
ST Trade and other payables	1,007.3	1,197.8	1,299.0	1,456.5	1,563.6
ST Loans and borrowings	3.4	0.0	1.3	1.8	2.3
Total Current Liabilities	1,211.7	1,418.8	1,465.3	1,619.5	1,724.4
Total Liabilities	1,982.2	2,260.7	2,137.1	2,280.6	2,379.7

Source: Bloomberg, 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