Mr D.I.Y. Group (M) Berhad

(5295 | MRDIY MK) Main | Consumer Products & Services

SHARIAH Compliant | FTSE4Good | ESG 3 Stars

4QFY25 Results Review

Record Payout Underscores Confidence

Maintain **BUY**

Unchanged Target Price: **RM2.20**

Maintain BUY with TP of RM2.20. MR D.I.Y.'s 4QFY25 earnings were strong, underpinned by healthy festive-driven demand, positive same-store sales and continued operational efficiencies, alongside margin resilience supported by favourable sourcing conditions. The Group's disciplined cost management and expanding store network continue to reinforce earnings visibility and cash flow strength. We maintain our **BUY** call, valuing the MR D.I.Y. at 30x FY26F EPS of 7.33 sen — broadly in line with its three-year historical mean — reflecting confidence in its predictable expansion model, structural procurement advantages and sustained market leadership within Malaysia's value retail landscape.

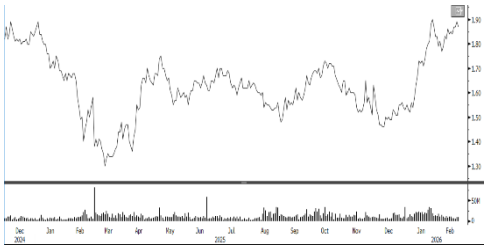
Within expectations with record dividend payout. MR D.I.Y. posted 4QFY25 revenue of RM1.28bn (+9.1%yoy; +7.1%qoq) and core PATANCI of RM166.3m (+8.6%yoy; +18.8%qoq), bringing FY25 core PATANCI to RM650.4m (+10.7%yoy). The results were within expectations, accounting for 105% of our full-year forecast and 102% of consensus estimates. In tandem with the strong earnings delivery, the Group declared a 4QFY25 interim dividend of 1.8 sen per share and approved an additional 2.0 sen interim dividend, lifting total FY25 dividends to 8.0 sen per share. This translates into a cumulative payout of RM758m, representing a substantial 119.8% payout ratio, well above its stated policy range, underscoring management's confidence in cash flow strength and commitment to shareholder returns.

Steady topline growth supported by network expansion and festive demand. 4QFY25 revenue rose +9.1%yoy to RM1.28bn, driven primarily by continued store network expansion and positive same-store sales, with additional lift from festive and school holiday spending. Total transactions increased on the back of new store contributions, partially offset by a -1.1%yoy decline in average basket value, reflecting ongoing downtrading behaviour. On a sequential basis, revenue improved +7.1%qoq, supported by seasonal demand momentum and sustained traffic growth. For FY25, revenue increased +6.5%yoy to RM4.95bn, underpinned by an +8.4%yoy expansion in store count to 1,556 outlets and resilient consumer demand across core household, hardware and lifestyle categories.

Margins resilient amid mixed cost environments. 4QFY25 core PATANCI grew +8.6%yoy to RM166.3m, broadly tracking revenue growth, while core PATANCI margin edged down marginally by -0.1ppt yoy to 12.9%. The slight margin moderation reflects higher operating expenses stemming from minimum wage adjustments, SST impact on rentals, and depreciation in line with network expansion. Nevertheless, gross margin expanded by 0.6ppts yoy to 47.3%, supported by favourable inventory costs and disciplined promotional management, helping to cushion cost pressures. On a sequential basis, core PATANCI rose +18.8%qoq, with margin improving +1.3ppts qoq, driven by operating leverage from stronger festive sales and improved cost efficiency. For FY25, core PATANCI increased +10.7%yoy to RM650.4m, with margin expanding +0.5ppts yoy to 13.1%, underpinned by gross margin uplift of +1.7ppts yoy to 47.5%. The improvement was largely attributable to procurement scale benefits and favourable sourcing conditions amid a stronger Ringgit against the CNY and USD, partially offset by higher staff and occupancy-related costs associated with continued store rollout.

RETURN STATISTICS	
Price @ 24th Feb 2026 (RM)	1.87
Expected share price return (%)	+17.5
Expected dividend yield (%)	+4.3
Expected total return (%)	+21.8

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	3.3	1.3
3 months	22.2	4.1
12 months	22.2	9.3

INVESTMENT STATISTICS

FYE SEPT (RM'm)	2025A	2026F	2027F
Revenue	4,954.0	5,584.4	5,970.9
EBITDA	1,285.5	1,414.2	1,527.3
PBT	854.2	929.0	1,007.4
Core PATANCI	650.4	692.6	751.0
Core EPS (sen)	6.9	7.3	7.9
DPS (sen)	8.0	5.5	6.2
Dividend Yield (%)	4.3	3.0	3.3

KEY STATISTICS

FBM KLCI	1,754.01
Issued shares (m)	9463.36
Estimated free float (%)	30.63
Market Capitalisation (RM'm)	17,722.88
52-wk price range	RM1.28 - RM1.92
3-mth average daily volume (m)	13.51
3-mth average daily value (RM'm)	22.57
Top Shareholders (%)	
BEE Family Ltd	50.00
Employees Provident Fund Board	10.16
Tan Yew Teik	3.91

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Outlook. We remain constructive on MR D.I.Y.'s medium-term trajectory, supported by its dominant scale, high-frequency traffic model and disciplined network expansion strategy. Continued store rollout, positive same-store sales and contributions from higher-productivity formats such as MR D.I.Y. PLUS and KKV should underpin steady earnings compounding. Margin resilience is expected to be sustained by procurement scale, favourable sourcing dynamics and efficiency gains from the automated warehouse coming onstream, helping to mitigate wage and occupancy cost pressures. Structural tailwinds from ongoing consumer downtrading behaviour and lifestyle retail penetration further reinforce the Group's defensiveness and growth optionality

Mr D.I.Y. Group (M) Berhad: 4QFY25 Results Summary

FYE DEC (RM'm)	Quarterly results							
	4QFY25	3QFY25	4QFY24	YoY (%)	QoQ (%)	12MFY25	12MFY24	YoY (%)
Revenue	1,284.1	1,198.5	1,177.1	9.1	7.1	4,954.0	4,651.9	6.5
Cost of sales	(677.3)	(631.8)	(627.8)	26.1	(8.0)	(2,599.8)	(2,518.8)	26.1
Gross Profit	606.9	566.7	549.3	25.4	(7.6)	2,354.2	2,133.1	25.4
Administrative expenses	(61.5)	(56.9)	(55.7)	10.5	8.0	(230.3)	(210.8)	9.2
Other operating expenses	(313.9)	(315.0)	(291.0)	7.9	(0.3)	(1,242.8)	(1,129.0)	10.1
Other operating income	6.6	7.9	11.1	(40.3)	(16.1)	40.7	40.7	0.0
Operating profit (EBIT)	238.1	202.6	213.7	11.4	17.5	921.8	834.0	10.5
Net finance income/(cost)	(19.2)	(18.1)	(18.3)	4.9	6.0	(71.1)	(71.5)	(0.4)
Profit before tax (PBT)	219.9	184.6	197.5	11.3	19.1	854.3	769.0	11.1
Income tax expense	(55.1)	(47.7)	(48.4)	13.8	15.5	(216.1)	(194.2)	11.3
Profit After tax (PAT)	164.8	136.9	149.1	10.5	20.4	638.2	574.8	11.0
PATANCI	164.8	136.9	149.1	10.5	20.4	638.2	574.8	11.0
Core PATANCI	166.3	140.0	153.1	8.6	18.8	650.4	587.5	10.7
Basic EPS (sen)	1.7	1.4	1.6	10.9	20.1	6.7	6.0	11.0
DPS (sen)	3.8	1.3	1.8	111.1	192.3	8.0	5.0	60.0
Growth & Margin (%)				+/(-) ppts	+/(-) ppts			+/(-) ppts
Gross Profit Margin	47.3	47.3	46.7	0.6	(0.0)	47.5	45.9	1.7
Operating Profit Margin	18.5	16.9	18.2	0.4	1.6	18.6	17.9	0.7
PBT Margin	17.1	15.4	16.8	0.3	1.7	17.2	16.5	0.7
Core PATANCI Margin	12.9	11.7	13.0	(0.1)	1.3	13.1	12.6	0.5
Ratios & Valuation				+/(-) ppts	+/(-) ppts			+/(-) ppts
Effective tax rate (%)	25.0	25.8	24.5	0.5	(0.8)	25.3	25.3	0.0

Source: Company, MBSBR

FINANCIAL SUMMARY

Income Statement (RM'm)	2024A	2025A	2026F	2027F	2028F
Revenue	4,651.4	4,954.0	5,584.4	5,970.9	6,384.0
Gross Profit	2,132.6	2,354.2	2,598.9	2,799.1	2,924.9
EBITDA	1,170.5	1,285.5	1,414.2	1,527.3	1,612.7
EBIT	835.5	921.8	1,006.6	1,084.4	1,131.6
Profit before tax (PBT)	770.4	854.2	929.0	1,007.4	1,055.8
Income tax expense	(194.2)	(216.1)	(236.4)	(256.3)	(268.7)
Profit After tax (PAT)	576.2	638.1	692.6	751.0	787.1
Core PATANCI	589.0	650.4	692.6	751.0	787.1
Core EPS (sen)	6.2	6.9	7.3	7.9	8.3
DPS (sen)	4.2	8.0	5.5	6.2	6.4
Dividend Yield (%)	2.2	4.3	3.0	3.3	3.4

Cash Flow (RM'm)	2024A	2025A	2026F	2027F	2028F
PBT	753.2	770.4	854.2	929.0	1,007.4
Cash flow from operations	971.9	934.9	977.9	1,010.7	1,198.4
Cash flow from investing	(245.7)	(168.5)	(137.3)	(466.5)	(519.1)
Cash flow from financing	(628.4)	(720.6)	(887.7)	(466.6)	(608.7)
Net cash flow	97.8	45.8	64.5	77.6	70.6
(+/-) Adjustments	0.3	0.0	0.0	0.0	0.0
Net cash/(debt) b/f	114.9	213.0	258.8	323.3	400.9

Growth (%)	2024A	2025A	2026F	2027F	2028F
Revenue Growth (%)	6.7	6.5	12.7	6.9	6.9
Gross Profit Growth (%)	7.9	10.4	10.4	7.7	4.5
EBITDA Growth (%)	4.2	9.8	10.0	8.0	5.6
Core PATANCI Growth (%)	5.4	10.4	6.5	8.4	4.8

Margins (%)	2024A	2025A	2026F	2027F	2028F
Gross Profit Margin (%)	45.8	47.5	46.5	46.9	45.8
EBITDA Margin (%)	25.2	25.9	25.3	25.6	25.3
EBIT Margin (%)	18.0	18.6	18.0	18.2	17.7
Core PATANCI Margin (%)	12.7	13.1	12.4	12.6	12.3

Balance Sheet (RM'm)	2024A	2025A	2026F	2027F	2028F
Property, plant and equipment	881.7	893.1	965.6	1,007.5	1,172.6
Intangible assets	7.7	10.4	7.7	7.7	7.7
Total Non-current assets	2,287.1	2,355.0	2,304.0	2,177.0	2,370.7
Inventories	1,082.4	1,179.0	1,284.2	1,364.3	1,487.9
ST - Trade and other receivables	148.5	151.7	153.1	163.7	175.1
Cash and cash equivalents	276.0	225.2	400.9	471.5	554.5
Total current assets	1,514.8	1,566.2	1,847.8	2,009.8	2,228.4
Total Assets	3,802.0	3,921.2	4,151.8	4,186.8	4,599.1
Total Equity	1,937.5	1,999.6	2,168.8	2,331.1	2,512.3
LT Loans and borrowings	10.9	9.8	7.5	7.4	7.2
Total Non-current liabilities	1,229.2	1,232.2	1,161.9	1,130.8	1,100.9
ST Trade and other payables	218.7	250.0	241.7	256.8	280.1
ST Loans and borrowings	128.2	94.5	126.1	123.6	121.1
Total Current Liabilities	635.3	689.4	766.6	670.4	931.4
Total Liabilities	1,864.4	1,921.6	1,928.5	1,801.1	2,032.3

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