EARNINGS WRAP

Review of Corporate Earnings

Quarter Ended December 2025

- In 4QCY25, the aggregate normalized earnings of FBM KLCI 30 current constituents came in at RM18.5b. It registered positive quarter-on-quarter growth of +8.3%qoq and positive year-on-year at +1.6%yoy.
- Within MBSBR Universe, 27% of stocks under coverage reported higher than expected earnings versus 20% which came in lower than expected. Moreover, 53% of stocks under coverage reported earnings within expectations. Target price changes involved 40 upward adjustments and 21 downward adjustments. Furthermore, we made 16 changes to our stock recommendation with 10 upgrades and 6 downgrades.
- The aggregate FY2025 actual earnings of FBM KLCI constituents under our coverage came in lower by -2.2% at RM65.4b compared to earlier estimate. Moreover, the aggregate FY2026 forecast earnings of FBM KLCI constituents under our coverage were tweaked lower by -0.5% to RM70.6b. Likewise, the aggregate FY2025 actual earnings of stocks under MBSBR coverage came in lower by -2.1% at RM86.1b compared to earlier estimate. Meanwhile, the aggregate FY2026 forecast earnings of stocks under MBSBR coverage was unchanged at RM93.3b.
- Overall, the recently concluded 4QCY25 earnings season was largely on target. Hence the minor tweak to aggregate FY2026 forecast earnings.
- Going forward, we reckon the market would remain largely sanguine against the backdrop of continued resilient GDP as well as positive earnings growth in 2026 and supported by relatively inexpensive valuations. We maintain our 2026 price target for FBM KLCI at 1,850 points. Likewise, we maintain our 2026 price targets for FBM Emas Shariah at 13,200 points and FBM70 at 19,100 points.

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

3 March 2026 | Strategy

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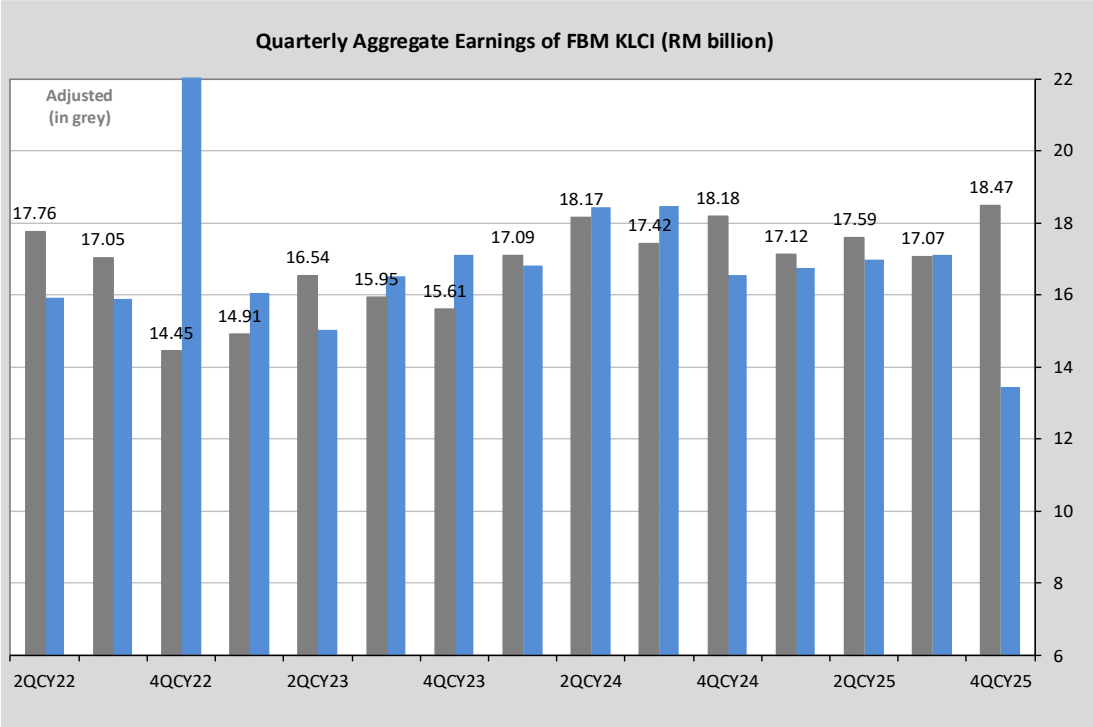
Earnings Wrap

FBM KLCI

In 4QCY25, the aggregate reported earnings of FBM KLCI 30 current constituents came in at RM13.4b. It registered negative quarter-on-quarter growth of -21.4%qoq and negative year-on-year at -18.8%yoy.



Source: Bloomberg, MBSBR

After adjusting extraordinary items incurred during the review quarter (particularly the massive impairment by PPB Group on investment in an associate totaling RM4.2b), the aggregate normalized quarterly earnings of FBM KLCI 30 current constituents came in at RM18.5b.

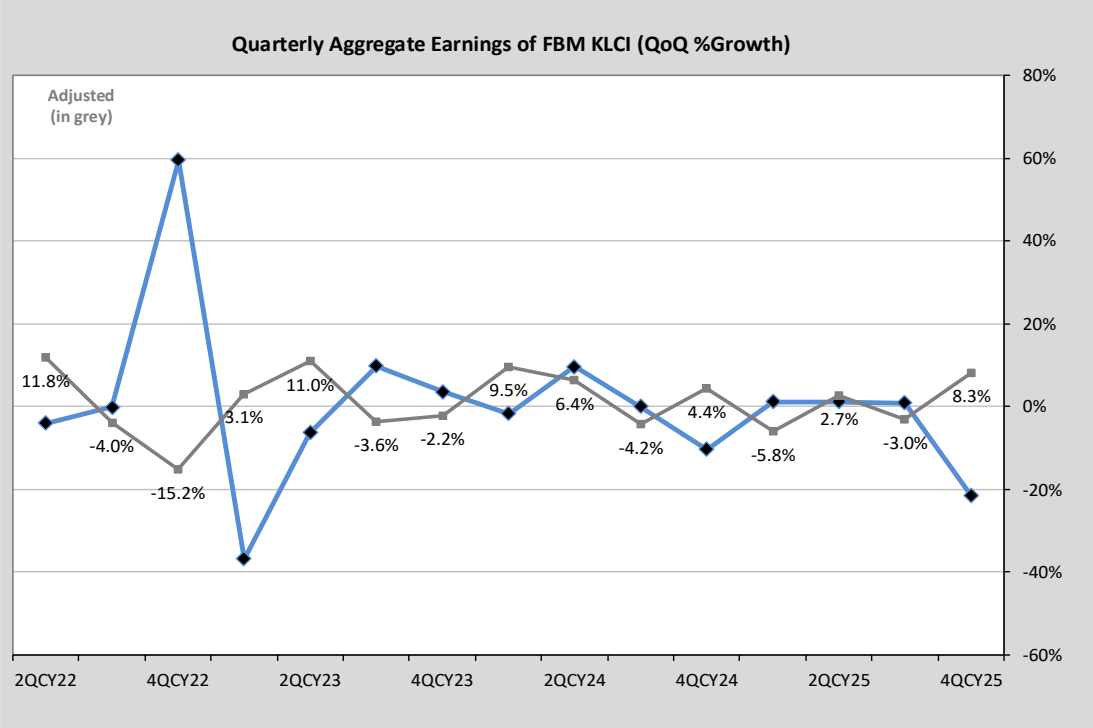
FBM KLCI: Normalized Earnings (RM Million)

SECTOR	4QCY25	3QCY25	QoQ	4QCY24	YoY
CONSTRUCTION	215.10	332.20	-35.2%	199.80	7.7%
CONSUMER P&S	2,135.18	931.50	129.2%	1,343.20	59.0%
FINANCIAL SERVICES	9,076.00	9,070.56	0.1%	8,600.49	5.5%
HEALTHCARE	512.00	462.00	10.8%	317.00	61.5%
INDUSTRIAL P&S	500.72	547.31	-8.5%	1,313.45	-61.9%
PLANTATION	1,172.70	1,506.80	-22.2%	1,096.30	7.0%
TELCO & MEDIA	1,301.80	1,601.80	-18.7%	1,630.80	-20.2%
TRANSPORT & LOGISTICS	682.10	463.40	47.2%	515.80	32.2%
UTILITIES	2,878.30	2,149.60	33.9%	3,164.70	-9.0%
TOTAL	**18,473.90**	**17,065.17**	**8.3%**	**18,181.54**	**1.6%**

Source: Bloomberg, MBSBR

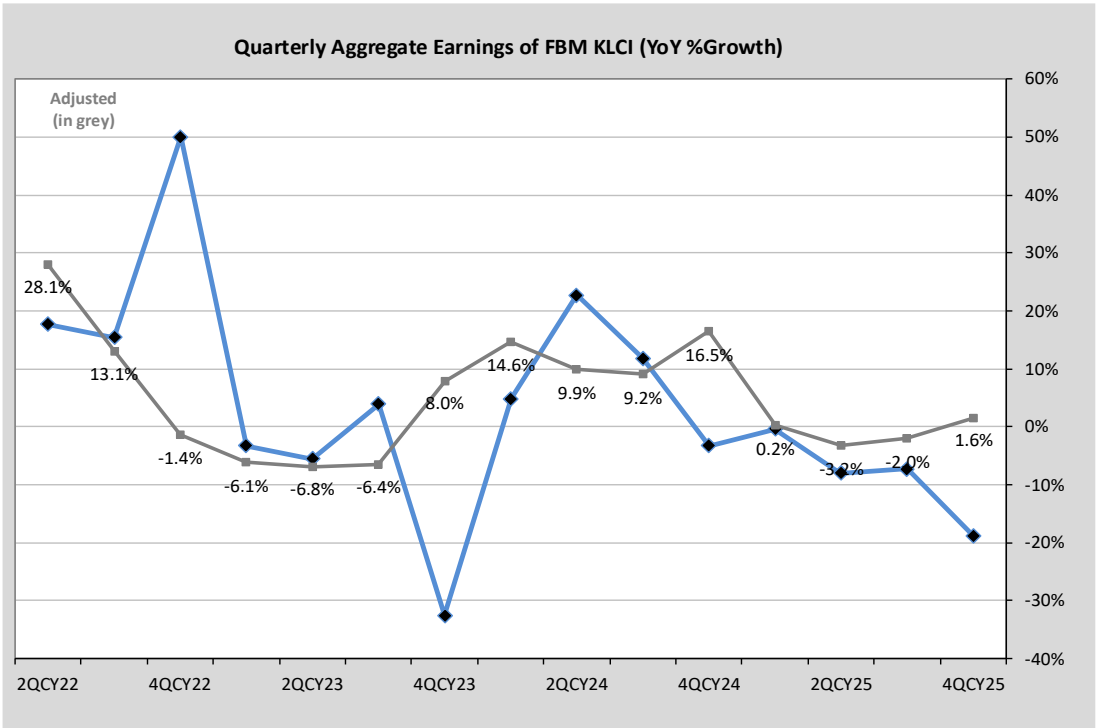
Moreover, after neutralizing the extraordinary items during relevant quarters (4QCY25: -RM5.0b, 3QCY25: +RM52m, 4QCY24: -RM1.6b), the aggregate normalized growth in 4QCY25 registered positive quarter-on-quarter growth of +8.3%qoq and positive year-on-year at +1.6%yoy.

The positive quarter-on-quarter normalized growth performance in 4QCY25 was mainly contributed by higher earnings among its Consumer P&S (PPB Group and Sime Darby) and Utilities (Tenaga Nasional, YTL Corp and YTL Power) constituents while moderated by the decline in Plantation (SD Guthrie) and Telco & Media (Telekom Malaysia) earnings.



Source: Bloomberg, MBSBR

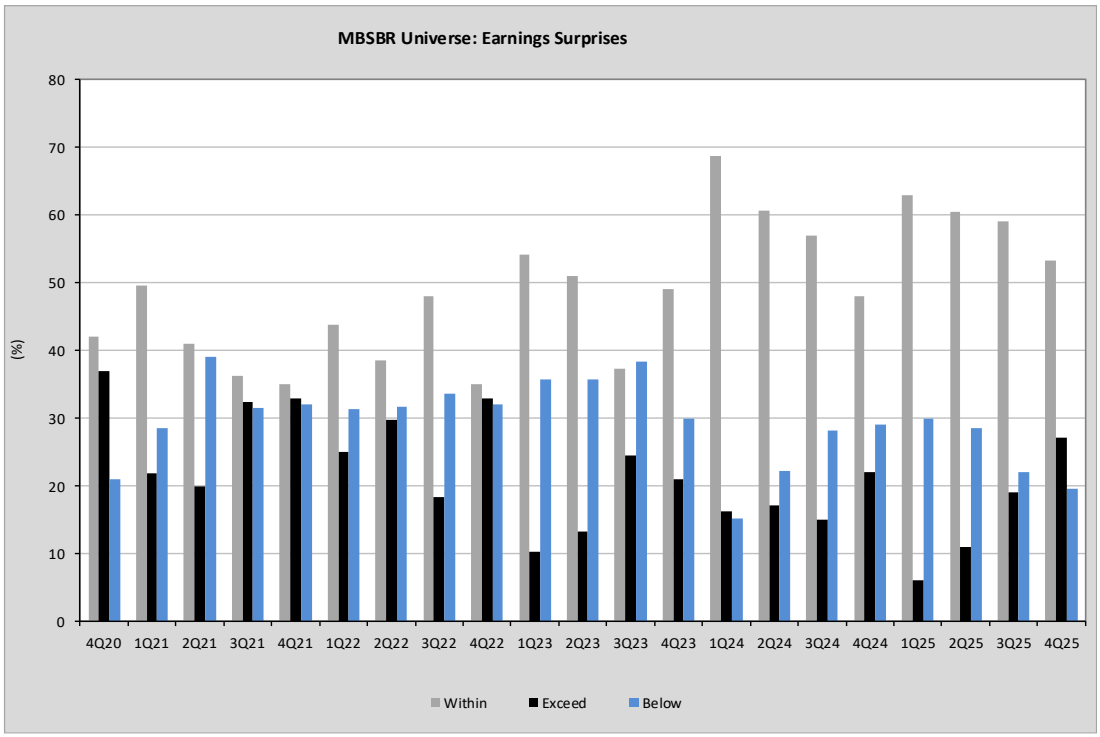
Meanwhile, the positive year-on-year normalized growth performance in 4QCY25 was mainly due to higher earnings among its Consumer P&S (PPB Group and Sime Darby) and Financial Services (Maybank and CIMB) constituents while moderated by the fall in Industrial P&S (Petronas Chemicals) and Telco &Media (Telekom Malaysia) earnings.



Source: Bloomberg, MBSBR

MBSBR Universe

The percentage of companies in MBSBR Universe that registered earnings above our expectations increased to 27% in 4QCY25 compared to 19% in the prior quarter. Conversely, the percentage of negative surprises declined to 20% from 22% in 3QCY25.



Source: MBSBR

Accordingly, the percentage of companies with results which met expectation fell to 53% in 4QCY25 from 59% in the prior quarter.

Moreover, Healthcare sector recorded the highest percentage of outperformers at 67% of stocks under our coverage. Meanwhile, Construction sector registered the biggest percentage of underperformers at 75% of companies under our coverage.

MBSBR Universe: Earnings Surprises

	Within	Exceed	Below
CONSTRUCTION	0%	25%	75%
CONSUMER PRODUCTS & SERVICES	68%	21%	11%
ENERGY	50%	25%	25%
FINANCIAL SERVICES	86%	14%	0%
HEALTH CARE	17%	67%	17%
INDUSTRIAL PRODUCTS & SERVICES	14%	43%	43%
PLANTATION	57%	43%	0%
PROPERTY	43%	43%	14%
REITS	83%	0%	17%
TECHNOLOGY	0%	50%	50%
TELECOMMUNICATIONS & MEDIA	50%	25%	25%
TRANSPORTATION & LOGISTICS	50%	0%	50%
UTILITIES	67%	17%	17%
TOTAL	**53%**	**27%**	**20%**

Source: MBSBR

In total, we made 16 changes to our stock recommendation with 10 upgrades and 6 downgrades. Furthermore, target price changes involved 40 upward against 21 downward adjustments.

In 4QCY25, the aggregate reported earnings of companies under MBSBR Universe came in at RM29.1b. It recorded both positive year-on-year growth of +48.5%yoy and quarter-on-quarter at +30.0%qoq. The impressive figures were mainly contributed by

Capital A from gain on disposal of its subsidiaries totaling RM9.8b while moderated by impairment on PPB Group investment in an associate totaling RM4.2b.

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

	YoY (%)	QoQ (%)	4Q25	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23
CONSTRUCTION	(19.3)	(27.0)	359	492	443	435	445	566	393	563	98	367	370	238
CONSUMER P&S	4,079.1	449.5	7,628	1,388	2,468	2,150	-192	2,707	718	1,292	1,275	1,094	2,259	1,355
ENERGY	264.6	0.2	287	286	257	342	-174	403	501	416	4	217	-133	344
FINANCIAL SERV	4.3	(0.8)	10,840	10,922	10,321	10,153	10,391	10,712	10,132	10,033	9,405	9,671	9,143	9,250
HEALTH CARE	(13.4)	(3.3)	785	812	607	681	908	756	816	860	734	180	164	953
INDUSTRIAL P&S	(98.0)	(92.4)	23	298	-634	399	1,119	-272	1,203	992	544	718	892	790
PLANTATION	15.8	(7.6)	1,523	1,649	1,611	1,157	1,316	1,736	1,182	576	869	1,834	642	577
PROPERTY	193.8	35.6	1,384	1,021	1,226	372	471	367	2,083	480	537	395	466	332
REITS	27.6	153.9	1,398	551	515	498	1,096	463	490	464	761	723	400	434
TECHNOLOGY	12.3	159.2	317	122	258	243	282	264	245	249	290	241	203	174
TELCO & MEDIA	(7.2)	(35.3)	913	1,412	1,511	1,316	984	2,245	1,293	1,214	230	484	666	1,042
TRANSP & LOGIS	263.1	(66.5)	278	830	712	932	-170	586	760	1,003	863	670	672	828
UTILITIES	6.6	32.5	3,039	2,293	2,942	2,543	2,850	3,015	3,637	2,480	2,589	2,791	2,534	2,466
TOTAL	**48.5**	**30.0**	29,095	22,373	22,550	21,540	19,596	23,777	23,733	20,903	18,355	19,508	18,429	18,912

Source: MBSBR

Consumer P&S, Energy, Property, REITs, Technology and Utilities sectors recorded improved total earnings (as reported) in 4QCY25 when compared to both the preceding quarter and corresponding period last year.

On the other hand, Construction, Healthcare, Industrial P&S and Telco & Media sectors registered both negative sequential and year-on-year earnings (as reported) growth in 4QCY25.

Sectoral commentary

Construction: The fourth quarter delivered a mixed set of results for the construction sector, with three coming in above and three below our expectations. Construction progress was generally healthy throughout the quarter, which led to stronger earnings and margins. IJM Corp (Accept offer, FV: RM3.29) came in below expectations with a -40.6%yoy decline in core earnings to RM70.5m. It saw a strong quarter for construction but was dragged by a weaker property segment, which was in the red at -RM0.9m. WCT Holdings (BUY, TP: RM0.68), which were also below expectations, saw slower construction business as major projects near completion. Gamuda (BUY, TP: RM6.35), which has a July financial year-end, is due to release its 2QFY26 in early March, though its 1QFY26 performance was below expectations as its projects are still at the initial stages. Looking ahead, we expect earnings momentum to strengthen in the coming quarters as progress billings accelerate and replenishment opportunities will gain traction, underpinned by sustained data centre momentum and major upcoming civil infrastructure catalysts.

Consumer (Staples): The staples segment delivered a generally steady set of results, with five companies reporting within expectations, two above, and one below. Spritzer (SELL, TP: RM2.54) came in within expectations, supported by resilient bottled water demand, firmer ASPs and lower raw material costs, with FY25 core earnings rising +19.1%yoy. Life Water (NEUTRAL, TP: RM1.37) also met expectations, underpinned by volume-led growth in its drinking water segment and Twinine consolidation, though margins were tempered by a higher tax rate and rising operating costs. F&N (NEUTRAL, TP: RM32.08) delivered results in line, as resilient Malaysia operations cushioned ongoing weakness in Indochina and forex headwinds. Nestlé (SELL, TP: RM95.70) reported broadly within expectations, with solid domestic and export demand and improved cost discipline sustaining its recovery despite input cost volatility. QL Resources (NEUTRAL, TP: RM4.28) fell below expectations, weighed by softer ILF and CVS contributions and margin pressures across segments, although MPM remained relatively resilient. Leong Hup (BUY, TP: RM1.10) exceeded expectations on stronger poultry margins and improved operational efficiency, driving meaningful earnings expansion despite softer Feedmill revenue. Hup Seng (NEUTRAL, TP: RM1.09) outperformed expectations, supported by sequential revenue recovery and disciplined cost management, even as export softness and input cost pressures persisted. Meanwhile, 99 Speed Mart (BUY, TP: RM4.41) delivered results within expectations, with continued outlet expansion, resilient same-store sales growth and operating leverage sustaining earnings momentum. PPB (BUY, TP: RM12.33) also came in above expectations, driven by a sharp rebound in associate contributions from Wilmar and a strong recovery in its Film Exhibition & Distribution segment, which more

than offset softer quarterly performances in Grains & Agribusiness and Consumer Products, reinforcing a firmer earnings trajectory heading into FY26.

Consumer (Discretionary): The discretionary segment was largely in line with expectations, with three companies within and one below. Oriental Kopi (NEUTRAL, TP: RM1.24) came in within expectations, supported by continued café network expansion and resilient FMCG momentum, although margins were weighed down by higher operating and input costs. AEON (BUY, TP: RM1.57) also reported within expectations, with a sequential festive-driven recovery in retail sales offsetting softer year-on-year performance, while its Property Management Services (PMS) segment continued to anchor earnings through stable occupancy and positive rental reversions. In contrast, Padini (BUY, TP: RM2.22) delivered results within expectations but with weaker year-on-year earnings, as higher operating expenses and margin pressures tempered the festive-led sequential rebound, keeping overall profitability below earlier peak levels despite relatively stable revenue trends. MR D.I.Y. (BUY, TP: RM2.20) delivered results within expectations, underpinned by festive-driven demand, positive same-store sales growth and sustained margin resilience, alongside a record dividend payout that underscored management's confidence in cash flow strength.

Healthcare (Gloves): After two years of losses, the glove sector had returned to core profitability by 4QFY25 due to US buyers shifting away from Chinese manufacturers (ahead of CY26 tariffs) and lower raw material costs. This was already reflected from Top Glove Corp (BUY, TP: RM0.78)'s 1QFY26 earnings (FYE ending August) and Hartalega Holdings (BUY, TP: RM1.19)'s 3QFY26 earnings (FYE ending March), as both companies had shown a surge in core profit. Likewise, Kossan Rubber Industries (BUY, TP: RM1.37) saw a similar trend in its core earnings, However, revenues had slipped for all three glove companies, as they were impacted by: (i) a production delay following gas disruption that occurred in April CY25, (ii) higher production cost, (iii) less favorable product mix, (iv) pricing pressure in non-US markets, and (v) appreciating MYR against USD. Nevertheless, coming into FY26, we expected that the recovery for gloves would continue, as ASPs further stabilise and the oversupply from the pandemic era tapers off. To note, Top Glove came in within our expectations for FY25, while Hartalega and Kossan came in above.

Healthcare (Pharmaceuticals): Global pharmaceuticals had been winners of the sector, led by the higher demand for diabetic and immunology drugs, as well as innovative drugs for oncology and rare diseases. For Pharmaniaga (BUY, TP: RM0.37), revenue and earnings had been on a positive trajectory, despite falling short of our expectations. The group had seen lower contribution from the private sector, in addition to a stronger MYR against IDR, which dragged its logistics business. However, its manufacturing arm mirrored that of international drug giants in terms of product demand. We expect the latter to be the growth setter for Pharmaniaga, once it returns into the sector after an exit from PN-17 (expected in 1QFY26), largely contributed by its biopharmaceuticals division and digitalisation efforts.

Healthcare (Service Providers): Strong patient volumes and higher revenue per inpatient (i.e. intensity) drove the global trends for healthcare service providers in 4QFY25. For Malaysia, the trend continues to be supported by medical tourism and rising high-acuity cases in tandem with the growing aging population. However, the strengthening MYR in late CY25 had created slight drawbacks for hospitals with an international footprint. Key players like KPJ Healthcare (NEUTRAL, TP: RM2.92) and IHH Healthcare (NEUTRAL, TP: RM9.22) reported strong revenue growth and positive EBITDA growth, as both hospitals exceeded our expectations. We maintained a NEUTRAL call for KPJ and IHH, following limited upsides over a premium valuation. The downside risks on hospitals in FY26 include: (i) rising medical inflation which may risk margins, (ii) rising insurance premiums that may shift patient preferences and delay non-critical treatments, (iii) the brain drain of nurses and doctors, notably from recruitments in Singapore and new entrants (such as Sunway Healthcare), and (iv) continued MYR volatility which would impact hospitals with international network.

Oil & Gas: Earnings for the Oil and Gas sector under our coverage for 4QFY25 were broadly in line with our expectations. This was largely supported by the defensive earnings profile of most Oil and Gas companies in our universe, which operate either under a monopolistic market structure or are backed by long-term contractual arrangements, thereby cushioning earnings volatility. That said, two notable outliers were recorded during the quarter. Petronas Chemicals delivered earnings below expectations, as the company continued to face margin pressure stemming from an oversupply in the olefins and derivatives segment, compounded by unfavourable foreign exchange movements. Conversely, Malaysia Marine & Heavy Engineering reported earnings above expectations, driven by stronger-than-anticipated margins recognised within its heavy engineering segment. In view of the earnings outcome, which was largely in line with expectations, we maintain our NEUTRAL call on the sector. Looking ahead, with crude oil prices trending higher amid escalating geopolitical tensions, selective positioning in the midstream and upstream segments may offer earnings upside, given their greater sensitivity to crude oil price movements.

Plantation: In 4QCY25, planter performance under our coverage was mixed, with 4 companies meeting expectations and 3 outperforming. Earnings were generally satisfactory, supported by relatively resilient margins despite a softer average realised CPO price. Operationally, performance improved on the back of higher FFB output and stronger CPO production, aided by favourable weather conditions and the absence of prolonged rainy days. This lifted OER to around 20% and supported higher CPO sales volumes during the quarter. The ASP of CPO eased to RM4,271/Mt (-2.1%qoq, -13.6%yoy) reflecting stronger production growth that heightened oversupply concerns and narrowed risk premiums. Notably, Malaysian CPO output in 4Q25 spiked to 5.8m tonne (+5.5%qoq, +18.4%yoy) underpinned by delayed crops seasonality from July through September. This led to marginally lower production costs, with better CPO sales and high mills utilization translating into decent unit costs and supportive margins. All in, with another bumper production expected in the coming months, this could widen the supply surplus, and elevate the

stockpile levels, thereby capping the upside potential of CPO prices. With delayed in Indonesia's B50 mandate implementation to CY27. Demand recovery remains tepid at this juncture; hence, we are maintaining our NEUTRAL stance in view of absence of immediate catalyst, with average CPO price assumption of RM4,200/Mt for the year. We like SD Guthrie (BUY, TP: RM6.46) given rerating catalyst on the stock. We are also taking this opportunity to cease coverage on MSM due to internal resource allocation. Prior to this, our latest recommendation in conjunction with the release of the latest results update report is NEUTRAL with a target price of RM0.80.

Property: Earnings of property companies were mixed in the recently concluded earnings reported season. Out of seven property companies under our coverage, three companies (Sunway Berhad, S P Setia and Eco World Development Group) reported earnings that beat expectations, three companies (UOA Development, IOI Properties Group and Mah Sing Group) reported earnings that met our expectations while one company (Matrix Concepts Holdings) reported earnings that missed our expectations. Notably, earnings of Sunway Berhad beat expectations due to stronger-than-expected earnings from property development division and construction arm. Similarly, S P Setia earnings came in stronger than expected due to gains from land sales. Meanwhile, Eco World Development Group reported earnings that beat expectations in December 2025 due to higher-than-expected margin and lower tax rate. On the flip side, earnings of Matrix Concepts were below expectations due to lower-than-expected margin. Generally, earnings of property companies were positive in CY2025, underpinning by the stable progress billing and recognition from higher new sales in CY24. On property sales front, most of the developers met new sales target for CY25 except for Mah Sing Group. Mah Sing Group reported new sales of RM2.5b for FY25, which is lower than new sales target of RM2.65b, owing to delay in authority approvals for projects. Looking forward, most of the developers are setting marginally higher new sales target for FY26 in view of the stable prospects for property sector. Overall, we are maintaining our Positive stance on the property sector.

REITs: Earnings of REIT were generally in line. Out of six REIT under our coverage, five reported earnings that met expectation while one REIT (Al-`Aqar Healthcare REIT) reported earnings that missed our expectation. Earnings of Al-`Aqar Healthcare REIT were below expectation due to higher-than-expected expenses. Generally, earnings of REIT were positive in CY25, underpinning by the positive rental reversion. Rental reversion for malls is broadly positive in mid-single digit, supported by the stable shopper footfall that lifted tenant sales. On the other hand, performance of industrial REIT, namely Axis REIT, was decent with earnings per unit (EPU) growth of 11% in FY25, driven by positive rental reversion and contribution from newly acquired assets. Consequently, we have upgraded Axis REIT to BUY as we see buying opportunity after the share price weakness. Meanwhile, we have downgraded Sunway REIT to NEUTRAL from BUY due to limited upside following the good run-in share price. Overall, we still see stable prospects for REIT in the near-term. Nevertheless, we are maintaining our NEUTRAL stance on REIT as we think positives are largely factored in with gross distribution yield of 5%.

Technology: For 4QCY25, Outsourced Semiconductor Assembly and Test (OSAT) providers under our coverage, namely Inari and Unisem, showed disappointing performance. Inari continues to be plagued by the weakness in the smartphone market as its dependency on the latter remains high at more than 60%. Meanwhile, for Unisem, its Ipoh operations continue to weigh on the group's overall performance. In CY25, the Ipoh operations remain in transition period at production activities are progressively being shifted to the newly run Gopeng plant. Meanwhile, manufacturer of automotive LED i.e. D&O, CY25 served as a reset year given the challenging and evolving outlook of the global automotive market. A huge inventory impairment was observed. Separately, Zetrix Ai continue to post strong double-digit earnings improvement, pushed by Web3 application service fees on its Zetrix blockchain platform and the sale of Zetrix tokens. During the quarter, we only upgraded our recommendation for D&O to Neutral (from Sell) as we see that the negativity surrounding the stock has been priced in.

Telecommunications: For 4QCY25, mixed performance was observed. The financial performance of local mobile number operators (MNO), namely Maxis and CelcomDigi (CDB), came in within our expectations. Maxis saw a double-digit improvement in earnings, mainly supported by operational excellence as the corresponding revenue only improved marginally. Meanwhile, CDB posted a slight reduction in FY25 earnings as the operational improvement was overcome by higher effective tax rate. On another note, Telekom Malaysia posted a disappointing 4Q25, caused by higher cost to revenue ratio. This led to slower-than-expected expansion in FY25 earnings. As Axiata concluded the Axiata 5*5 strategy, FY25's financial performance of its continuing operations saw a healthy double-digit improvement in earnings. This was mainly supported by steady earnings increase from the frontier market. However, mixed performance was observed by its main associate companies. Note that we made no changes to our recommendation for telcos under our coverage. Celcomdigi (Buy; TP:RM3.54) remains our sole BUY as the group is in a better footing as its integration efforts are nearing completion.

Utilities: The utilities sector and renewable energy subsector largely came in within expectations during in 4QFY25. Tenaga Nasional (BUY, TP: RM16.40) saw its electricity demand rise to an all-time high of 34.78TWh during the quarter, on the back of stronger consumption in the commercial sector, with the main contributors being data centres, business services and retails. Results were lower than our estimates, as demand came in slightly lower than expected. YTL Power (BUY, TP: RM4.94) was within expectations, with weaker earnings from Power Seraya but supported by the group's strengthening water segment through Wessex Water and Ranhill Utilities (BUY, TP: RM2.29) came in within expectations on the back of stronger water revenue and the recognition of a government grant. YTL Corp (BUY, TP: RM3.26) was also within estimates, driven by a stronger water segment and cement division. For the renewable energy subsector, Pekat Group (BUY, TP: RM2.00) saw a +46.8%yoy growth in its core earnings which is within estimates, driven by stronger performance in its solar PV and earthing and lightning protection business,

on top of the consolidation of results from its recently acquired EPE Switchgear. Meanwhile, Samaiden (BUY, TP: RM1.73) came in above expectations on stronger EPCC progress. Sunview came in below, as most of its projects have reached final stages of completion, on top of a depleting order book which led to our downgrade of Sunview to SELL at a TP of RM0.30. We continue to like the renewable energy sub-sector as the key immediate-term beneficiaries of RE initiatives/policies such as the National Energy Transition Roadmap (NETR), the ongoing LSS5, LSS5+ and the upcoming LSS6.

Outperformer versus underperformer

There was a sequential increase in the number of outperformers among FBM KLCI constituents under our coverage from 2 to 5 in 4QCY25. Likewise, the number of underperformers was sequentially higher from 2 to 6 in the review quarter.

In 4QCY25, the 5 outperformers were Axiata, IHH Healthcare, IOI Corp, PPB Group and Sunway. Meanwhile, the 6 underperformers were Gamuda, MISC, Petronas Chemicals, QL Resources, Telekom Malaysia and Tenaga Nasional.

FBM KLCI: Outperformer versus Underperformer

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

Source: MBSBR

Earnings revisions

The aggregate FY2025 actual earnings of FBM KLCI constituents under our coverage came in lower by -2.2% at RM65.4b compared to earlier estimate. Moreover, the aggregate FY2026 forecast earnings of FBM KLCI constituents under our coverage were tweaked lower by -0.5% to RM70.6b. In this regard, shortfall in the aggregate FY2025 actual earnings was mainly due to underperformance of Industrial P&S (Petronas Chemicals) while the slight tweak to aggregate FY2026 forecast was mainly due to downward adjustments to earnings of Construction (Gamuda) and Financial Services (Public Bank) constituents.

FBM KLCI: Earnings Revisions (RM million)

SECTOR	Constituents	FY2025	FY2026
CONSTRUCTION	Gamuda	0	(473)
CONSUMER P&S	Nestle, Pet Dagang, PPB, QL Res, Mr DIY, 99SMart	(238)	136
FINANCIAL SERVICES	Maybank, Public, CIMB, RHB, HLB, AMMB	304	(394)
HEALTHCARE	IHH Health	(31)	207
INDUSTRIAL P&S	Pet Chem, Sunway	(1,004)	80
PLANTATION	SD Guthrie, IOI Corp, KLK	(101)	2
TELCO & MEDIA	Axiata, Maxis, Digi, TM	90	105
TRANSPORT & LOGISTICS	MISC	(412)	0
UTILITIES	TNB, Pet Gas, YTL Corp, YTL Power	(103)	0
TOTAL		**(1,494)**	**(338)**

Source: MBSBR

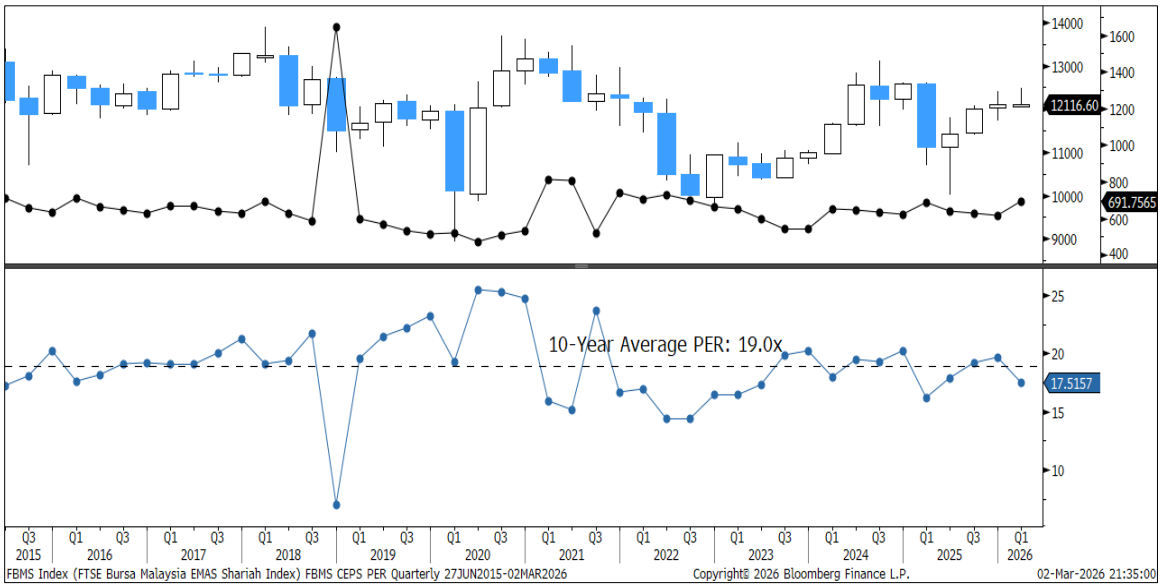
Likewise, the aggregate FY2025 actual earnings of stocks under MBSBR coverage came in lower by -2.1% at RM86.1b compared to earlier estimate. Meanwhile, the aggregate FY2026 forecast earnings of stocks under MBSBR coverage was unchanged at RM93.3b.

Refer to APPENDIX for further details.

Earnings and valuation

FBM KLCI: Post-4QCY25 earnings season, the consensus EPS26 forecast for FBM KLCI stands at 113.8 points (end-2025: 115.3 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.

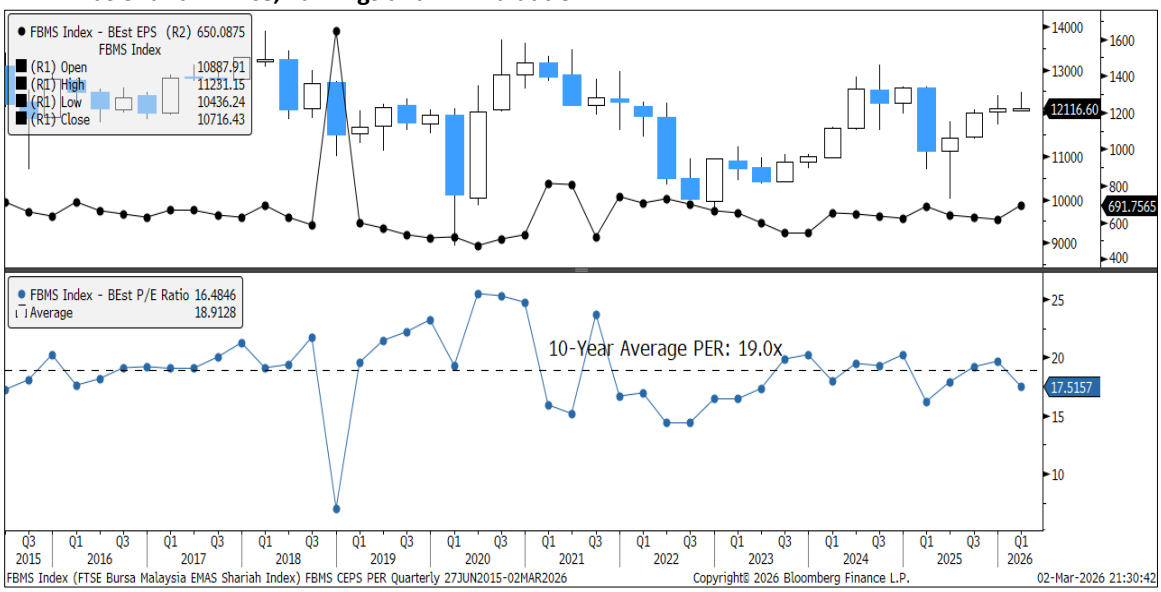
FBM KLCI: Price, Earnings and PER valuation



Source: MBSBR, Bloomberg (G5)

FBM Emas Shariah: Post-4QCY25 earnings season, the consensus EPS26 forecast for FBM Emas Shariah stands at 691.8 points (end-2025: 696.0 points). The prevailing PER valuation of FBM Emas Shariah (which represents all shariah stocks) at 17.5x is relatively cheap vis-à-vis its 10-Year historical average of 19.0x.

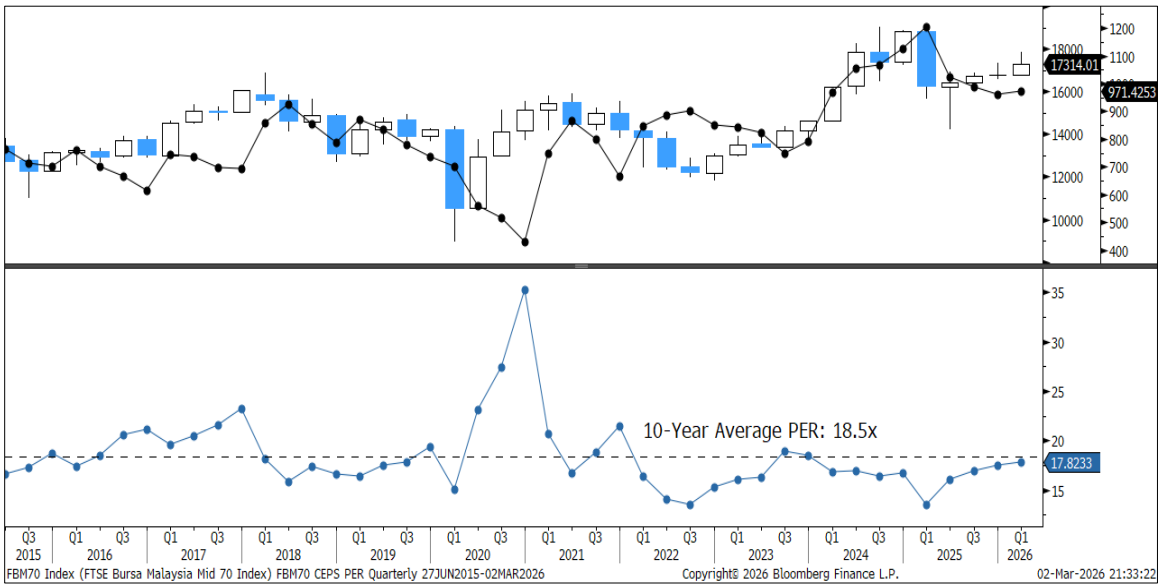
FBM Emas Shariah: Price, Earnings and PER valuation



Source: MBSBR, Bloomberg (G6)

FBM70: Post-4QCY25 earnings season, the consensus EPS26 forecast for FBM70 stands at 971.4 points (end-2025: 1,125.4 points). The prevailing PER valuation of FBM70 (which represents mid-cap stocks) at 17.8x 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 4QCY25 earnings season was largely on target. Hence the minor tweak to aggregate FY2026 forecast earnings.

Going forward, we reckon the market would remain largely sanguine against the backdrop of continued resilient GDP as well as positive earnings growth in 2026. Moreover, further equity market upside this year shall also be supported by relatively inexpensive valuations. We maintain our 2026 price target for FBM KLCI at **1,850** points (or PER26 of 16.3x). Likewise, we also maintain our 2026 price targets for FBM Emas Shariah at **13,200** points (or PER26 of 19.1x) and FBM70 at **19,100** points (or PER26 of 19.7x).

However, under the scenario of severe and prolonged Iran-Israel/US war, we shall revisit our fundamental as well as price targets in due course.

APPENDIX

MBSBR: Changes in Aggregate Earnings Forecasts

	EARNINGS (RM mn)				EARNINGS *(% Chg)*	
	FY2025		FY2026		FY2025	FY2026
	Old	Actual	Old	New		
TOTAL (MBSBR Universe)	87,954.3	86,092.6	93,332.9	93,304.7	*(2.1)*	*(0.0)*
Annual % Change	*(0.8)*	*(2.9)*	*6.1*	*8.4*		
TOTAL (FBM KLCI) *	66,883.8	65,390.3	70,956.5	70,618.9	*(2.2)*	*(0.5)*
Annual % Change	*(2.2)*	*(4.3)*	*6.1*	*8.0*		

Source: MBSBR; * Aggregate earnings of 28 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