Corporate Update

# Mah Sing Group Berhad

(8583 | MSGB MK) Main | Property

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

# 4QFY25 Results Review
# Marginal Earnings Growth

**FY25 earnings within our expectation.** Mah Sing Group FY25 core net income of RM246.1m came in within our expectation but slightly below consensus expectation, making up 95% and 93% of our and consensus forecast respectively. Mah Sing Group announced dividend of 5sen per share for FY25 which translates into dividend yield of 4.3%.

**Marginal earnings growth in FY25**. Sequentially, 4QFY25 core net income was lower at RM50.7m (-21.3%qoq) despite higher topline (+4.6%qoq) as earnings were dragged by higher administrative expenses (+9.7%qoq), higher selling and marketing expenses (+36%qoq) as well as higher finance cost (+21%qoq). On a year-on-year basis, 4QFY25 core net income was lower at RM50.7m (-17.9%yoy) mainly due to lower progress billing. Cumulatively, FY25 core net income was marginally higher at RM246.1m (+1.9%yoy) while topline was flattish (-0.1%yoy). The lower earnings were mainly due to the higher expenses and higher finance cost. Meanwhile, balance sheet of Mah Sing remains healthy with net gearing of 0.26x in 4QFY25.

**New sales at RM2.5b for FY25.** Mah Sing recorded new property sales of RM2.51b in FY25, missed its new sales target of RM2.65b for FY25 mainly due to delay in authority approval for projects. Overall, new property sales in FY25 remain stable, higher than new sales of RM2.4b for FY24. Going forward, Mah Sing sets new sales target of RM2.76b for FY26 on the back of sales from ongoing projects and new launch worth of RM3.45b for FY26. New projects launch in FY26 include M Aria in Sentual, M Aurora in Old Klang Road, M Mira in Setapak, M Hana in Puchong, Corus Hotel Site at Jalan Ampang, M Tiara 2 in Mukim Pulai and M Cora in Georgetown. On the other hand, unbilled sales increased marginally to RM3.2b in 4QFY25 from RM3.14b in 3QFY25, providing 1.2 years earnings visibility.

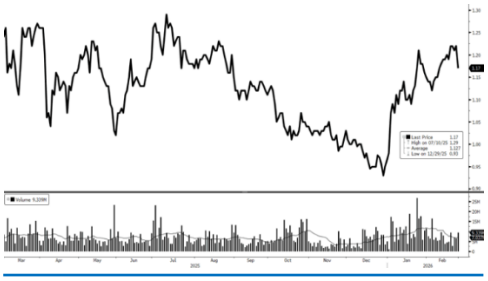
**Maintain BUY with a revised TP of RM1.49.** We fine tune our forecast for FY26/27 by -5%/-3.5% post release of FY25 figures and tweak our margin assumption lower. We also introduce our earnings forecast for FY28. We revise our TP for Mah Sing to RM1.49 from RM1.52 as we widened our RNAV discount to 40% from 38%. Despite the new sales miss for FY25, new sales momentum is expected to catch up in FY26. Overall long-term prospect will support by the stable sales of affordable homes. Hence, we maintain our **BUY** call on Mah Sing.

## Maintain **BUY**

Revised Target Price **RM1.49**
(from RM1.54)

| RETURN STATISTICS | |
|---|---|
| Price @ 27th Feb 2026 (RM) | 1.17 |
| Expected share price return (%) | +27.4 |
| Expected dividend yield (%) | +4.3 |
| Expected total return (%) | +31.7 |

**SHARE PRICE CHART**



| Price performance (%) | Absolute | Relative |
|---|---|---|
| 1 month | 1.7 | 3.2 |
| 3months | 21.2 | 7.9 |
| 12 months | -5.6 | -13.4 |

**INVESTMENT STATISTICS**

| FYE Dec | 2026E | 2027F | 2028F |
|---|---|---|---|
| Revenue | 2,719 | 2,754 | 2,850 |
| Operating Profit | 444 | 486 | 506 |
| Profit Before Tax | 383 | 425 | 444 |
| Core PATAMI | 279 | 307 | 323 |
| Core EPS | 10.90 | 11.99 | 12.61 |
| DPS | 5.0 | 6.0 | 7.0 |
| Dividend Yield | 4.3% | 4.6% | 4.9% |

**KEY STATISTICS**

| | |
|---|---|
| FBM KLCI | 1,716.61 |
| Issue shares (m) | 2560.14 |
| Estimated free float (%) | 56.83 |
| Market Capitalisation (RM'm) | 2,995 |
| 52-wk price range | RM0.92– RM1.3 |
| 3-mth average daily volume (m) | 7.95 |
| 3-mth average daily value (RM'm) | 8.70 |
| **Top Shareholders (%)** | |
| Mayang Teratai Sdn Bhd | 25.51 |
| Amanah Saham Nasional Bhd | 7.53 |
| Mayang Teratai Limited | 7.03 |
| Oversea-Chinese Banking Corp Ltd | 6.05 |

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## Mah Sing Group: 4QFY25 RESULTS SUMMARY

| FYE Dec (RM'm, unless otherwise stated) | Quarterly Results | | | Cumulative | |
|---|---|---|---|---|---|
| | 4QFY25 | %YoY | %QoQ | FY25 | %YoY |
| Revenue | 665.0 | -10.66% | 4.6% | 2,516.6 | -0.1% |
| EBIT | 116.1 | 10.09% | 4.9% | 441.4 | 12.7% |
| PBT | 99.7 | 13.23% | 3.6% | 382.9 | 13.6% |
| Net Income | 61.8 | 2.18% | -6.8% | 260.1 | 8.0% |
| Core Net Income | 50.7 | -17.9% | -21.3% | 246.1 | 1.9% |
| EPS (sen) | 2.41 | 2% | -6.8% | 10.2 | 6.4% |
| Core EPS (sen) | 1.98 | -18% | -21.3% | 9.6 | 0.4% |
| Net DPS (sen) | 5.00 | 11% | NA | 5.0 | 11.1% |
| NTA/share (RM) | 1.59 | 3% | 1.4% | 1.59 | 3% |
| Net Gearing (x) | 0.26 | NA | NA | 0.26 | NA |
| EBIT Margin | 17.5% | NA | NA | 17.5% | NA |
| PBT Margin | 15.0% | NA | NA | 15.2% | NA |

*Source: Company, MBSB Research*

## Mah Sing Group RNAV

| | Stake | Est remaining GDV (RM m) | WACC (%) | Value (RM m) |
|---|---|---|---|---|
| **Greater KL Projects** | | | | |
| Southgate | 100% | 2 | 10% | 2 |
| Star Avenue | 100% | 88 | 10% | 7 |
| Hijauan Residence | 100% | 226 | 10% | 17 |
| Aman Perdana | 100% | 72 | 10% | 6 |
| Garden Residence | 100% | 76 | 10% | 6 |
| Perdana Residence 2 | 100% | 13 | 10% | 1 |
| M Suites @ Jalan Ampang | 100% | 6 | 10% | 1 |
| Bayu Sekamat | 100% | 7 | 10% | 1 |
| Icon Residence Mont' Kiara | 100% | 12 | 10% | 1 |
| Garden Plaza, Cyberjaya | 100% | 31 | 10% | 3 |
| M City, Jalan Ampang | 100% | 2 | 10% | 0.2 |
| M Residence 1 @ Rawang | 100% | 59 | 10% | 5 |
| M Residence 2 @ Rawang | 100% | 33 | 10% | 3 |
| Southville City @ KL South, Bangi | 100% | 8364 | 10% | 502 |
| Icon City, PJ | 100% | 1901 | 10% | 147 |
| D'sara Sentral | 100% | 50 | 10% | 4 |
| Lakeville Residence | 100% | 1 | 10% | 0 |
| M Aruna Rawang | 100% | 152 | 10% | 12 |
| M Centura, M Arisa, Sentul | 78% | 4 | 10% | 0.3 |

| | | | | |
|---|---|---|---|---|
| M Vertica, Cheras | 100% | 29 | 10% | 2 |
| M Oscar | 100% | 22 | 10% | 2 |
| M Luna | 100% | 18 | 10% | 1 |
| M Adora | 100% | 9 | 10% | 1 |
| M Senyum | 100% | 10 | 10% | 1 |
| M Astra | 100% | 11 | 10% | 1 |
| M Nova | 100% | 347 | 10% | 26 |
| M Terra & M Hana | 100% | 641 | 10% | 47 |
| M Legasi (Glengowrie Estate) Semenyih | 100% | 3300 | 10% | 198 |
| M Zenya | 100% | 199 | 10% | 15 |
| M Azura, Setapak | 100% | 371 | 10% | 29 |
| M Mira | 100% | 300 | 10% | 22 |
| M Aspira | 100% | 572 | 10% | 42 |
| M Aurora | 100% | 660 | 10% | 49 |
| M Aria | 100% | 283 | 10% | 21 |
| Corus Hotel site | 100% | 1280 | 10% | 91 |
| | | | | |
| **Johor Projects** | | | | |
| Sierra Perdana | 100% | 140 | 10% | 11 |
| Meridin @ Medini | 100% | 227 | 10% | 18 |
| Meridin East | 100% | 3082 | 10% | 171 |
| Mah Sing i-Parc | 100% | 11 | 10% | 1 |
| M Tiara | 100% | 480 | 10% | 13 |
| M Tiara 2 | 100% | 1450 | 10% | 103 |
| M Tiara 3 | 100% | 463 | 10% | 37 |
| M Grand Minori | 100% | 1500 | 10% | 111 |
| | | | | |
| **Penang Projects** | | | | |
| Ferringhi Residence | 100% | 362 | 10% | 29 |
| Southbay City | 100% | 1415 | 10% | 92 |
| M Cora | 100% | 528 | 10% | 39 |
| MS Industrial Park @ Kulai | 60% | 2260 | 10% | 88 |
| | | | | |
| Unbilled sales | | 2730 | | 210 |
| | | | | |
| **Total** | | | | **2191** |
| Shareholder Funds | | | | 3882 |
| Total RNAV | | | | 6073 |
| Number of shares | | | | 2438 |
| RNAV per share (RM) | | | | 2.49 |
| Discount | | | | 49% |
| **Target Price (RM)** | | | | **1.49** |

## FINANCIAL SUMMARY

| Profit or Loss (RM'm) | 2024A | 2025A | 2026E | 2027F | 2028F |
|---|---|---|---|---|---|
| Revenue | 2,520 | 2,517 | 2,719 | 2,754 | 2,850 |
| EBIT | 392 | 441 | 444 | 486 | 506 |
| PBT | 337 | 383 | 383 | 425 | 444 |
| Net Income | 241 | 260 | 279 | 307 | 323 |
| Core Net Income | 241 | 246 | 279 | 307 | 323 |
| Core EPS (sen) | 9.4 | 9.6 | 10.9 | 12.0 | 12.6 |
| Core PER (x) | 12.4 | 12.2 | 10.7 | 9.8 | 9.3 |
| NTA/share | 1.55 | 1.59 | 1.62 | 1.65 | 1.68 |
| P/NTA | 0.76 | 0.73 | 0.72 | 0.71 | 0.70 |

| Balance Sheet (RM'm) | 2024A | 2025A | 2026E | 2027F | 2028F |
|---|---|---|---|---|---|
| Property, plant and equipment | 467 | 444 | 449 | 453 | 458 |
| Land held for property development | 2,362 | 2,828 | 2,772 | 2,716 | 2,662 |
| Total non-current assets | 3,291 | 3,761 | 3,844 | 3,929 | 4,015 |
| Property development costs | 1,032 | 1,172 | 1,184 | 1,196 | 1,208 |
| Inventories | 539 | 477 | 488 | 498 | 509 |
| Cash and bank balances | 1,347 | 1,211 | 1,663 | 1,699 | 1,737 |
| Other assets | 1,344 | 1,441 | 1,190 | 1,372 | 1,573 |
| **Total Assets** | **7,553** | **8,063** | **8,369** | **8,694** | **9,042** |
| Medium Term Notes | 552 | 855 | 915 | 979 | 1,048 |
| LT Term Loans | 804 | 1,075 | 1,098 | 1,122 | 1,147 |
| Other Liabilities | 2,222 | 2,045 | 2,197 | 2,362 | 2,540 |
| Total Liability | 3,578 | 3,975 | 4,211 | 4,463 | 4,735 |
| Share capital | 1,876 | 1,876 | 1,876 | 1,876 | 1,876 |
| Other Equity | 2,099 | 2,211 | 2,282 | 2,355 | 2,430 |
| Total Equity | 3,975 | 4,087 | 4,158 | 4,231 | 4,306 |
| **Equity + Liability** | **7,553** | **8,063** | **8,369** | **8,694** | **9,042** |

| Cash Flow (RM'm) | 2024A | 2025A | 2026E | 2027F | 2028F |
|---|---|---|---|---|---|
| Cash flows from operating activities | | | | | |
| Net income before taxation | 337 | 383 | 383 | 425 | 444 |
| Net cash from operating activities | 579 | 387 | 379 | 372 | 364 |
| | | | | | |
| Cash flows from investing activities | | | | | |
| Addition to land held for property development | -122 | -153 | -132 | -113 | -97 |
| Net cash used in investing activities | -867 | -621 | -472 | -359 | -273 |
| | | | | | |
| Cash flows from financing activities | | | | | |
| Net proceeds from issuance of Medium Term Notes | 0 | 0 | 0 | 0 | 0 |
| Net cash from/(used in) financing activities | 580 | 346 | 463 | 405 | 434 |
| | | | | | |
| Net increase/(decrease) in cash and cash equivalents | 292 | 112 | 370 | 418 | 525 |
| Cash and cash equivalent at 1 January | 781 | 1074 | 1185 | 1555 | 1972 |
| Cash and cash equivalent at 1 December | 1074 | 1185 | 1555 | 1972 | 2498 |

| Profitability Ratios (%) | 2024A | 2025A | 2026E | 2027F | 2028F |
|---|---|---|---|---|---|
| EBIT margin | 15.5% | 17.5% | 16.3% | 17.6% | 17.7% |
| PBT margin | 13.4% | 15.2% | 14.1% | 15.4% | 15.6% |
| PAT margin | 9.6% | 10.3% | 10.3% | 11.1% | 11.3% |
| Core PATAMI margin | 9.6% | 9.8% | 10.3% | 11.1% | 11.3% |
| ROE | 6.1% | 6.0% | 6.7% | 7.3% | 7.5% |
| ROA | 3.2% | 3.1% | 3.3% | 3.5% | 3.6% |

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### MBSB INVESTMENT BANK (formerly known MIDF INVESTMENT BANK): GUIDE TO RECOMMENDATIONS

**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