Corporate Update

MBM Resources Berhad

(5983 | MBM MK) Main | Consumer Products & Services

SHARIAH Compliant

ESG 3 Stars

4QFY25 Results Review
Strong Finish to FY25

Upgrade to BUY. MBM Resources Berhad (MBMR) delivered a strong 4QFY25 result (typically a seasonally stronger quarter), which came in above expectations, driven by solid performance across both segments. Higher Perodua sales and production volumes, together with favourable forex, continued to support associate contributions, accounting for 79% of PBT in the recent quarter. We upgrade our call to **BUY** from NEUTRAL with an unchanged target price of **RM5.54**, as the stock is now trading at -1.0SD to its 5-year mean and offers an attractive dividend yield.

Above expectations. MBMR posted a 4QFY25 core PATAMI of RM101.4m, bringing its FY25 total to RM333.7m, which exceeded expectations at 109% of our/consensus full-year forecasts, driven by stronger-than-expected performance across both segments.

Higher associate contribution on strong Perodua volumes. Motor trading & assembly revenue increased +11.2%yoy, driven by year-end stock-clearing promotions, but operating profit fell -17.5%yoy due to heavier discounting and weaker Hino sales. Meanwhile, auto parts manufacturing revenue rose +13.8%yoy on higher component orders, while operating profit increased only marginally (+1.1%yoy) due to a -1.0%yoy contraction in passenger vehicle TIP and production cutbacks by some carmakers. Associates (mainly Perodua) contribution rose +5.2%yoy on consistently strong production and sales volumes, alongside a weaker JPY. Overall, core PATAMI rose +3.9%yoy, due to slightly weaker margins, partly due to a higher effective tax rate.

Auto parts margin improved on absence of supplier claims. Compared with 3QFY25, motor trading & assembly revenue rose +18.2%qoq, while operating profit fell -35.1%qoq on the aforementioned reasons. Auto parts manufacturing revenue increased +1.8%qoq, reflecting seasonally higher final-quarter volumes, while operating profit jumped +37.3%qoq due to slightly higher volumes and the absence of a supplier claim settlement recorded in the preceding quarter. Perodua continued to post higher sales and production volumes, and together with a stronger Ringgit, lifted share of associate profits by +13.9%qoq. Core PATAMI increased +13.9%qoq on comparable margins.

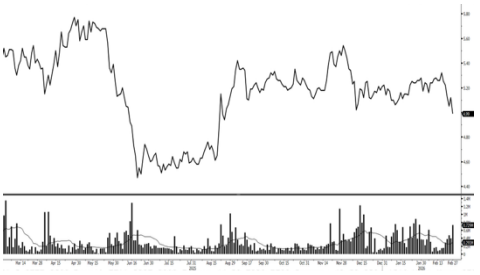
Earnings estimates. Estimate revisions will be made post results briefing.

Upgrade to BUY
(from NEUTRAL)

Unchanged Target Price **RM5.54**

RETURN STATISTICS	
Price @ 27th February 2026 (RM)	4.99
Expected share price return (%)	+11.1
Expected dividend yield (%)	+9.4
Expected total return (%)	+20.5

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-5.5	-4.2
3 months	-4.2	-12.8
12 months	-3.2	-11.2

INVESTMENT STATISTICS

FYE Dec	2025A	2026F	2027F
Revenue	2,549.2	2,349.2	2,399.6
EBIT	67.2	56.1	56.2
PBT	405.3	366.0	374.2
Core PATAMI	333.7	309.6	316.6
Core EPS (sen)	85.4	79.2	81.0
DPS (sen)	46.8	47.5	48.6
Dividend yield	9.4%	9.5%	9.7%

KEY STATISTICS	
FBM KLCI	1,716.61
Issued shares (m)	390.89
Estimated free float (%)	39.79
Market Capitalisation (RM'm)	1,950.53
52-wk price range	RM4.17-RM5.58
3-mth average daily volume (m)	0.41
3-mth average daily value (RM'm)	2.15
Top Shareholders (%)	
Med-Bumikar Mara Sdn Bhd	49.50
Lembaga Tabung Haji	4.41
Public Mutual Bhd	2.49

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MBM RESOURCES: 4QFY25 RESULTS SUMMARY

FYE Dec (RM'm)	Quarterly					Cumulatively		
Income Statement	**4QFY25**	**3QFY25**	**4QFY24**	**QoQ**	**YoY**	**FY25**	**FY24**	**YoY**
Revenue	736.9	635.9	660.9	15.9%	11.5%	2,549.2	2,485.6	2.6%
EBIT	16.8	21.2	18.1	-20.7%	-7.2%	67.2	92.5	-27.3%
Net finance costs	1.1	1.4	0.9	-21.6%	20.3%	4.7	4.3	8.8%
Share of JV	7.3	7.9	6.2	-8.4%	16.2%	25.3	6.3	303.9%
Share of associates	94.6	83.0	89.9	13.9%	5.2%	308.1	290.8	5.9%
PBT	119.7	113.5	115.1	5.4%	4.0%	405.3	393.9	2.9%
Tax expense	-8.0	-3.8	-6.2	-111.1%	-28.8%	-20.4	-20.8	2.2%
PAT	111.7	109.7	108.9	1.8%	2.6%	384.9	373.1	3.2%
PATAMI	100.7	94.5	97.7	6.5%	3.0%	339.1	333.4	1.7%
Core PATAMI	101.4	89.0	97.6	13.9%	3.9%	333.7	333.7	0.0%
				ppts	**ppts**			**ppts**
EBIT margin (%)	2.3%	3.3%	2.7%	-1.1	-0.5	2.6%	3.7%	-1.1
PBT margin (%)	16.2%	17.9%	17.4%	-1.6	-1.2	15.9%	15.8%	0.1
Core PATAMI margin (%)	13.8%	14.0%	14.8%	-0.2	-1.0	13.1%	13.4%	-0.3
Effective tax rate (%)	-6.7%	-3.3%	-5.4%	-3.4	-1.3	-5.0%	-5.3%	0.3

SEGMENTAL BREAKDOWN

FYE Dec (RM'm)	Quarterly					Cumulatively		
Revenue	**4QFY25**	**3QFY25**	**4QFY24**	**QoQ**	**YoY**	**FY25**	**FY24**	**YoY**
Motor trading & assembly	645.9	546.5	580.7	18.2%	11.2%	2,217.2	2,182.4	1.6%
Auto parts manufacturing	90.3	88.6	79.3	1.8%	13.8%	329.0	300.5	9.5%
Others	-8.3	0.7	0.8	-1247.2%	-1129.3%	-6.1	2.8	-323.3%
Operating profit	**4QFY25**	**3QFY25**	**4QFY24**	**QoQ**	**YoY**	**FY25**	**FY24**	**YoY**
Motor trading & assembly	11.6	17.8	14.0	-35.1%	-17.5%	52.1	51.5	1.2%
Auto parts manufacturing	6.6	4.8	6.5	37.3%	1.1%	21.3	24.8	-14.3%
Others	-1.4	-1.5	-2.5	4.7%	43.6%	-6.1	-7.1	13.1%
OP margin				**ppts**	**ppts**			**ppts**
Motor trading & assembly	1.8%	3.3%	2.4%	-1.5	-0.6	2.3%	2.4%	0.0
Auto parts manufacturing	7.3%	5.4%	8.2%	1.9	-0.9	6.5%	8.3%	-1.8

Source: MBM Resources, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025A	2026F	2027F
Revenue	2,416.2	2,485.6	2,549.2	2,349.2	2,399.6
EBIT	97.2	69.1	67.2	56.1	56.2
PBT	391.3	393.9	405.3	366.0	374.2
PAT	368.3	373.1	384.9	344.0	351.7
PATAMI	331.2	333.4	339.1	309.6	316.6
Core PATAMI	302.2	333.7	333.7	309.6	316.6
Core EPS (sen)	77.3	85.4	85.4	79.2	81.0
PER (x)	6.5x	5.8x	5.8x	6.3x	6.2x
DPS (sen)	54.0	45.0	46.8	47.5	48.6
Dividend yield (%)	10.8%	9.0%	9.4%	9.5%	9.7%

Balance Sheet (RM'm)	2023A	2024A	2025A	2026F	2027F
Inv. in associates	1,652.0	1,767.1	1,880.8	2,034.7	2,173.8
PPE	186.6	194.0	213.0	201.8	203.7
Non-current assets	**2,050.5**	**2,178.6**	**2,309.9**	**2,384.7**	**2,486.5**
Inventories	161.0	114.2	135.6	108.4	110.7
Trade receivables	165.6	162.1	205.3	153.2	156.5
Cash	197.2	258.3	273.1	311.4	332.1
Current assets	**545.8**	**559.0**	**616.2**	**597.3**	**623.7**
Non-current liabilities	**6.4**	**13.8**	**15.0**	**13.8**	**13.8**
Short-term debt	16.4	45.9	45.7	45.9	45.9
Trade payables	89.5	79.1	154.7	75.1	76.7
Current liabilities	**163.9**	**179.2**	**221.0**	**175.2**	**176.8**
Share capital	391.7	391.7	391.7	391.7	391.7
Retained earnings	1,736.4	1,834.7	1,986.1	2,080.6	2,207.2
Equity	**2,426.0**	**2,547.1**	**2,705.1**	**2,793.0**	**2,919.6**

Cash Flow (RM'm)	2023A	2024A	2025A	2026F	2027F
PBT	391.3	393.9	405.3	366.0	374.2
D&A	19.0	17.4	17.1	12.6	13.2
Changes in WC	-61.9	36.5	-38.6	-1.3	-4.0
Operating cash flow	**-1.0**	**100.6**	**40.4**	**39.1**	**46.7**
Capital expenditure	-26.8	-18.7	-30.2	-15.0	-15.0
Investing cash flow	**185.8**	**186.2**	**206.6**	**190.3**	**187.8**
Dividends paid	-258.0	-234.5	-187.6	-185.8	-189.9
Debt raised/(repaid)	16.4	29.5	-0.2	0.0	0.0
Financing cash flow	**-272.8**	**-227.3**	**-232.3**	**-211.4**	**-213.7**
Net cash flow	**-88.0**	**61.1**	**14.8**	**18.0**	**20.8**
Beginning cash flow	**284.7**	**197.2**	**258.3**	**293.3**	**311.4**
Ending cash flow	**196.7**	**258.3**	**273.1**	**311.4**	**332.1**

Profitability Ratios (%)	2023A	2024A	2025A	2026F	2027F
EBIT margin	4.0%	2.8%	2.6%	2.4%	2.3%
PBT margin	16.2%	15.8%	15.9%	15.6%	15.6%
PAT margin	15.2%	15.0%	15.1%	14.6%	14.7%
Core PATAMI margin	12.5%	13.4%	13.1%	13.2%	13.2%
ROA	11.6%	12.2%	11.4%	10.4%	10.2%
ROE	12.5%	13.1%	12.3%	11.1%	10.8%

Growth (%)	2023A	2024A	2025A	2026F	2027F
Revenue growth	4.7%	2.9%	2.6%	-7.8%	2.1%
EBIT growth	-7.4%	-28.9%	-2.7%	-16.6%	0.2%
PBT growth	21.0%	0.7%	2.9%	-9.7%	2.2%
Core PATAMI growth	21.6%	10.4%	0.0%	-7.2%	2.2%

Source: MBM Resources, MBSBR

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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