Corporate Update

Malaysian Resources Corporation Berhad

(1651 | MRC MK) Main | Construction

4QFY25 Results Review:

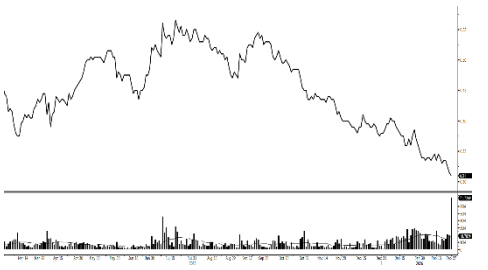
Lifted by Stronger Construction Division

Maintain **BUY**

Unchanged Target Price **RM0.45**

RETURN STATISTICS	
Price @ 27th Feb 2026 (RM)	0.31
Expected share price return (%)	+45.2
Expected dividend yield (%)	+3.2
Expected total return (%)	+48.4

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-19.5	-18.3
3months	-18.4	-29.0
12 months	-32.6	-38.2

INVESTMENT STATISTICS

FYE Dec	2025A	2026F	2027F
Revenue	1,398.6	1,538.5	1,615.4
EBIT	132.9	147.7	158.3
Profit Before Tax	76.9	84.6	105.0
Core PATAMI	37.8	44.6	45.2
Core EPS	0.8	1.0	1.0
DPS	1.0	1.0	1.0
Dividend Yield	3.2	3.2	3.2

KEY STATISTICS	
FBM KLCI	1,716.61
Issued shares (m)	4467.51
Estimated free float (%)	40.31
Market Capitalisation (RM'm)	1,384.93
52-wk price range	RM0.30 - RM0.57
3-mth average daily volume (m)	12.39
3-mth average daily value (RM'm)	4.56
Top Shareholders (%)	
Employees Provident Fund Board	36.21
Gapurna Sdn Bhd	15.48
Lembaga Tabung Haji	5.35

Maintain BUY. We reiterate our **BUY** recommendation on MRCB with an unchanged **TP** of **RM0.45**, valuing the stock at a P/B ratio of 0.54x, which is +1SD above its three-year mean. We anticipate further momentum from major civil infrastructure works such as the five reinstated LRT3 stations and the Shah Alam Sports Complex in FY26. Beyond transportation, MRCB is actively pursuing climate adaptation initiatives, including flood mitigation, renewable energy, and water infrastructure projects, reinforcing its long-term growth prospects.

Above expectations. Malaysian Resources Corporation Bhd (MRCB) saw its revenue inching upwards to RM371.8m (+0.3%yoy) in 4QFY25 while its core earnings rebounded strongly to RM17.3m. While property development and investments slipped further into losses, the stronger bottom line was aided by a stronger engineering and construction division. The cumulative 12MFY25 saw core earnings declining -30.0% to RM44.6m, which was +18.0% above our estimates and +38.1% above consensus.

Engineering, construction and environment. The division saw its PBT grew 3.8x yoy to RM81.6m during the quarter, led by stronger progress in ongoing projects. For the cumulative 12 months however, PBT declined -29.0% to RM118.1m, mainly due to lower contributions from LRT3 as it nears completion. The construction of the Shah Alam Sports Complex and the five reinstated LRT3 stations are still in the early stages.

Property Development & Investment. The division sank further into the red at -RM29.9m (4QFY24: -RM0.8m) during the quarter, mainly due to the depleting inventory of completed units, which resulted in lower sales. The full 12MFY25 however, saw lower pre-tax losses of -RM9.8m (FY24: -RM-17.6m), aided by reversal of impairment losses and write-backs of cost provisions that were no longer required. As at Dec-25, unbilled sales from ongoing projects stood at RM1.40b, about 96% of which are made up by the Vista and Maris projects in Gold Coast, which will only be recognised upon physical completion and the handover of units to purchasers. MRCB has RM2.2b of planned launches in 2026 in terms of GDV,

Surpassed RM5.0b replenishment target. MRCB currently has an outstanding construction order book of RM5.7b, which consists mainly of infrastructure projects. The group surpassed its FY25 replenishment target of RM5.0b, securing RM5.5b of new wins, such as the five reinstated LRT3 stations (RM2.4b) and Shah Alam Sports Complex (RM2.9b). The RM1.0b redevelopment of the KL Sentral Station is still under negotiation and the tender book currently stands at RM8.4b. MRCB is also involved in several pre-qualification tenders for projects, such as flood mitigation, road infrastructure, sewerage and wastewater and industrial infrastructure.

Earnings estimates and TP. We are making no changes to our FY26E/FY27F earnings estimates and we maintain our **TP** of **RM0.45**, valuing the stock at a P/B ratio of 0.54x, which is +1SD above its three-year mean.

Analyst

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MRCB: 4QFY25 RESULTS SUMMARY

All in RM'm unless stated otherwise	Quarterly Results				Cumulative			
Income Statement	**Q425**	**Q325**	**Q424**	**QoQ**	**YoY**	**12MFY25**	**12MFY24**	**YoY**
Revenue	371.8	310.0	370.7	19.9%	0.3%	1,197.8	1,645.4	-27.2%
Expenses	(341.5)	(304.1)	(360.1)	-12.3%	5.2%	(1,155.2)	(1,532.7)	24.6%
Other operating income	41.0	40.0	18.2	2.3%	125.5%	130.5	60.3	116.4%
Profit/(Loss) from operations	71.3	46.0	28.8	55.1%	147.6%	173.1	173.0	0.1%
Finance costs	(33.6)	(26.0)	(26.1)	-29.0%	-28.5%	(114.8)	(108.8)	-5.5%
Share of results of associates	3.9	3.7	3.4	5.4%	17.2%	15.4	15.3	0.3%
Share of results of joint ventures	(0.2)	(0.1)	(0.6)	-62.5%	74.9%	(0.6)	(4.5)	86.8%
Profit/(Loss) before tax	41.5	23.6	5.4	76.2%	669.3%	73.2	75.0	-2.5%
Income tax expense	(23.0)	(18.4)	(4.7)	-25.1%	-385.9%	(26.1)	(11.5)	-127.4%
Loss for the financial period	18.5	5.2	0.7	258.0%	2698.2%	47.0	63.5	-26.0%
PATAMI	18.6	5.1	0.6	262.9%	2849.4%	47.3	63.7	-25.7%
Core PATAMI	17.3	4.5	0.6	282.5%	2652.6%	44.6	63.7	-30.0%

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025A	2026F	2027F
Revenue (RM'm)	2,537.5	1,645.4	1,398.6	1,538.5	1,615.4
EBIT (RM'm)	224.4	157.2	132.9	147.7	158.3
Pre-tax profit (RM'm)	134.2	75.0	76.9	84.6	105.0
PATAMI (RM'm)	101.0	63.7	37.8	44.6	45.2
Core PATAMI (RM'm)	-49.3	63.7	37.8	44.6	45.2
FD EPS (sen)	-1.1	1.4	1.1	1.5	1.5
Dividend (sen)	1.0	1.0	1.0	1.0	1.0
Dividend yield (%)	3.2	3.2	3.2	3.2	3.2
Balance Sheet (RM'm)	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**
Fixed assets	680.9	713.2	731.1	745.7	760.6
Intangible assets	177.0	123.8	167.0	167.0	167.0
Non-current assets	**5,463.0**	**5,598.1**	**5,659.2**	**5,673.8**	**5,688.7**
Cash	972.0	999.2	500.0	501.0	500.0
Trade receivables	1,109.8	1,212.2	2,810.1	2,810.1	2,277.5
Current assets	**3,381.6**	**3,435.9**	**4,534.6**	**4,535.6**	**4,001.9**
Trade payables	1,766.8	1,412.1	1,873.4	1,873.4	1,719.6
Short-term debt	311.0	580.7	869.8	870.8	870.8
Current liabilities	**2,129.5**	**2,077.1**	**3,269.5**	**3,263.6**	**2,723.5**
Long-term debt	1,490.5	1,678.3	1,646.0	1,647.0	1,647.0
Non-current liabilities	**2,115.4**	**2,336.7**	**2,303.9**	**2,304.9**	**2,304.9**
Share capital	4,356.1	4,356.1	4,356.1	4,356.1	4,356.1
Retained earnings	240.7	260.1	264.3	284.8	306.2
Equity	**4,599.7**	**4,620.2**	**4,620.4**	**4,640.9**	**4,662.3**

Cash Flow (RM'm)	2023A	2024A	2025A	2026F	2027F
PBT	134.2	75.0	99.5	123.5	153.3
Operating cash flow	**492.3**	**-275.3**	**-250.8**	**-226.8**	**-197.1**
Capital expenditure	-34.2	-128.3	25.1	26.1	-25.7
Investing cash flow	**331.9**	**-53.2**	**100.3**	**101.3**	**49.5**
Debt raised/(repaid)	-263.6	457.8	-30.7	-29.7	132.5
Financing cash flow	**-390.1**	**304.9**	**-183.6**	**-182.6**	**-20.5**
Net cash flow	**434.2**	**-23.6**	**-334.2**	**-308.2**	**-168.1**
Beginning cash flow	**465.6**	**900.0**	**874.6**	**540.5**	**232.3**
Ending cash flow	**900.0**	**874.6**	**540.5**	**232.3**	**64.2**
Profitability Ratios (%)	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**
EBIT margin	8.8%	9.6%	9.5%	11.4%	9.8%
PBT margin	5.3%	4.6%	5.5%	5.5%	6.5%
PAT margin	-1.9%	3.9%	2.7%	2.9%	2.8%
Core PAT margin	-1.9%	3.9%	2.7%	2.9%	2.8%

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