Corporate Update

Spritzer Berhad

(7103 |SPZ MK) Main | Consumer Products & Services

SHARIAH Compliant

4QFY25 Results Review

Demand Resilience Continues

Maintain **SELL**

Unchanged Target Price **RM2.54**

Maintain SELL with an unchanged TP of RM2.54. Spritzer's 4QFY25 results came in within expectations, supported by resilient bottled water demand, firmer average selling prices and continued benefits from lower raw material costs. Despite the steady earnings delivery, we make no changes to our FY26-27F forecasts as current performance remains in line with our assumptions. Our **TP** of **RM2.54** is maintained, based on an unchanged FY26 EPS of 15.86 sen and a target PER of 16x, representing a premium to its three-year historical mean. We maintain our **SELL** call as, despite solid operating fundamentals, current valuations remain stretched at 21.9x PER, approaching +3D above its three-year mean, which we believe limits further upside.

Within expectations. Spritzer delivered 4QFY25 revenue of RM174.2m (+15.0%yoy; +2.5%qoq) and core PATANCI of RM25.3m (+12.2%yoy; +0.1%qoq), lifting FY25 core PATANCI to RM94.4m (+19.1%yoy). Results were in line, coming in at 103% of both ours and consensus full-year forecasts. A dividend of 5.0 sen per share was declared for the quarter.

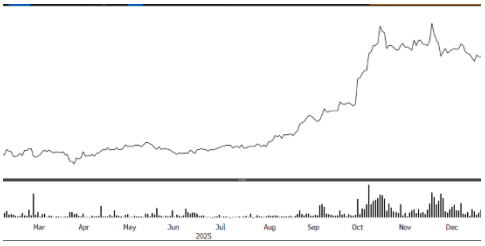
Revenue lifted on continued bottled water demand and firmer ASPs. 4QFY25 topline rose +15.0%yoy to RM174.2m, supported by stronger bottled water sales volumes and firmer ASPs, aided by a more favourable sales mix. The manufacturing segment grew +15.3%yoy, remaining the key revenue driver. Meanwhile, the trading segment expanded +10.0%yoy, while the "others" segment declined -5.6%yoy, though both remained relatively small in contribution. Cumulatively, FY25 revenue increased +13.5%yoy to RM656.9m, underpinned by continued strength in the core manufacturing division (+14.0%yoy), with trading inching up +2.3%yoy and other contributions easing -4.5%yoy.

Bottomline growth remained firm on volume expansion and lower input costs. Core PATANCI increased +12.2%yoy to RM25.3m in 4QFY25, broadly in line with topline growth, supported by higher bottled water sales volumes, firmer ASPs and the benefit of lower raw material costs. However, core PATANCI margin eased slightly to 14.5% (-0.4ppts yoy), reflecting normalisation from a higher base and some cost pass-through timing differences. For FY25, core PATANCI rose a stronger +19.1%yoy to RM94.4m, outpacing revenue growth, with margin improving to 14.4% (+0.7ppts yoy). The full-year improvement was driven by operating leverage and softer input costs, though partially moderated by a higher effective tax rate compared to the previous year following the absence of reinvestment allowance incentives that had lowered prior tax charges.

Outlook. We expect demand for bottled water to remain steady, supported by resilient domestic consumption and tourism-related activities ahead of Visit Malaysia 2026. Continued investments in automation, capacity enhancements and operational efficiencies should help cushion margin pressures from higher operating costs and a normalized tax environment, while softer raw material prices may provide intermittent support.

RETURN STATISTICS	
Price @ 27th Feb 2026 (RM)	2.95
Expected share price return (%)	-14.0
Expected dividend yield (%)	+1.5
Expected total return (%)	-12.5

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	1.0	2.5
3 months	10.5	-1.3
12 months	95.4	79.2

INVESTMENT STATISTICS

FYE DEC (RM'm)	2026F	2027F	2028F
Revenue	748.0	826.1	879.8
EBITDA	151.4	168.3	184.4
PBT	132.8	147.3	160.4
Core PATANCI	101.0	111.9	121.9
Core EPS (sen)	15.9	17.6	19.1
DPS (sen)	4.8	5.3	5.7
Dividend Yield (%)	1.6	1.8	1.9

KEY STATISTICS

FBM KLCI	1,716.61
Issued shares (m)	638.63
Estimated free float (%)	27.75
Market Capitalisation (RM'm)	1,885.96
52-wk price range	RM1.38 - RM3.12
3-mth average daily volume (m)	0.96
3-mth average daily value (RM'm)	2.71
Top Shareholders (%)	
Yee Lee Corp Bhd	32.17
YEE Lee Holdings Sdn Bhd	11.02
CGS INTL SEC SINGAPORE PTE LTD	10.97

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Spritzer: 4QFY25 Results Summary

FYE DEC (RM'm)	Quarterly results					Cumulative results		
	4QFY25	3QFY25	4QFY24	YoY (%)	QoQ (%)	12MFY25	12MFY24	YoY (%)
Revenue	174.2	169.9	151.5	15.0	2.5	656.9	579.0	13.4
Cost of sales & other operating expenses	(142.5)	(137.5)	(128.7)	10.8	3.7	(537.3)	(494.4)	8.7
Other gains (losses)	1.3	(0.2)	(2.3)	(157.6)	(701.4)	3.0	(2.5)	(216.2)
EBIT	**33.0**	**32.2**	**20.5**	**60.9**	**2.3**	**122.5**	**82.1**	**49.3**
Net finance income/(cost)	(0.4)	(0.6)	(0.6)	(24.8)	(26.1)	(2.1)	(2.5)	(16.6)
Profit before tax (PBT)	**32.5**	**31.6**	**19.8**	**64.7**	**2.9**	**120.5**	**79.6**	**51.4**
Tax expense	(7.8)	(8.0)	(1.0)	643.0	(3.1)	(29.6)	(8.3)	259.3
Profit After tax (PAT)	**24.8**	**23.6**	**18.7**	**32.4**	**4.9**	**90.8**	**71.3**	**27.3**
PATANCI	24.8	23.6	18.7	32.4	4.9	90.8	71.3	27.3
Core PATANCI	**25.3**	**25.3**	**22.6**	**12.2**	**0.1**	**94.4**	**79.3**	**19.1**
Core EPS (sen)	3.9	3.9	3.5	10.5	0.1	14.7	12.4	18.5
DPS (sen)	5.0	0.0	4.0	25.0	n.m.	5.0	4.0	25.0
Growth & Margin (%)				*+/(-) ppts*	*+/(-) ppts*			*+/(-) ppts*
EBIT Margin	18.9	19.0	13.5	5.4	(0.0)	18.7	14.2	4.5
PAT Margin	14.2	13.9	12.4	1.9	0.3	13.8	12.3	1.5
Core PATANCI Margin	14.5	14.9	14.9	(0.4)	(0.3)	14.4	13.7	0.7
Ratios & Valuation				*+/(-) ppts*	*+/(-) ppts*			*+/(-) ppts*
Effective tax rate (%)	23.9	25.4	5.3	18.6	(1.5)	24.6	10.4	14.2

Source: Company, MBSBR

Spritzer: Breakdown by operating segment

FYE DEC (RM'm)	Quarterly results					Cumulative results		
	4QFY25	3QFY25	4QFY24	YoY (%)	QoQ (%)	12MFY25	12MFY24	YoY (%)
Revenue (External):								
Manufacturing	167.7	163.1	145.5	15.3	2.8	631.7	554.3	14.0
Trading	6.1	6.5	5.6	10.0	(5.3)	23.6	23.1	2.3
Others	0.4	0.4	0.4	(5.6)	(0.5)	1.5	1.6	(4.5)
Total	**174.2**	**169.9**	**151.5**	**15.0**	**2.5**	**656.9**	**579.0**	**13.4**
Operating Profit:								
Manufacturing	32.9	32.1	22.6	45.4	2.5	122.7	83.1	47.6
Trading	(0.3)	0.3	(0.4)	(27.3)	(194.3)	(0.5)	(1.0)	(47.4)
Others	19.0	0.6	12.0	58.3	2,971.4	35.3	23.3	51.6
Eliminations	(18.7)	(0.8)	(13.8)	35.5	2,201.5	(35.4)	(23.8)	48.8
Total	**32.9**	**32.2**	**20.4**	**60.9**	**2.1**	**122.1**	**81.7**	**49.5**
Operating profit margin (%):								
Manufacturing	19.6	19.7	15.6	4.1	(0.1)	19.4	15.0	4.4
Trading	(4.5)	4.6	(6.9)	2.3	(9.1)	(2.1)	(4.1)	2.0
Others	4,698.3	152.2	2,801.9	1,896.4	4,546.1	2,337.0	1,472.4	864.7
Total	**18.9**	**19.0**	**13.5**	**5.4**	**(0.1)**	**18.6**	**14.1**	**4.5**

Source: Company, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026F	2027F	2028F
Revenue	579.0	656.9	748.0	826.1	879.8
Gross Profit	392.0	429.5	471.7	519.3	552.5
EBITDA	113.6	137.4	151.4	168.3	184.4
EBIT	82.1	122.5	133.6	148.0	161.2
PBT	79.4	120.5	132.8	147.3	160.4
Taxation	(8.3)	(29.6)	(31.9)	(35.3)	(38.5)
PATANCI	71.1	90.8	101.0	111.9	121.9
Core PATANCI	78.0	94.4	101.0	111.9	121.9
Core EPS (sen)	12.2	14.4	15.9	17.6	19.1
PER (x)	24.1	20.4	18.6	16.8	15.4
DPS (sen)	4.0	4.3	4.8	5.3	5.7
Dividend yield (%)	1.4	1.5	1.6	1.8	1.9

Cash Flow (RM'm)	2024A	2025A	2026F	2027F	2028F
PBT	79.4	121.0	132.8	147.3	160.4
Operating cash flow	102.0	153.7	52.8	83.4	87.7
Investing cash flow	(88.9)	(83.7)	(40.0)	(44.2)	(47.1)
Financing cash flow	(22.2)	(47.2)	(10.8)	(34.0)	(37.0)
Net cash flow	(9.1)	22.8	2.0	5.1	3.6
Beginning cash flow	30.2	21.6	44.6	46.6	51.7
Ending cash flow	21.6	44.6	46.6	51.7	55.4

Growth (%)	2024A	2025A	2026F	2027F	2028F
Revenue Growth	18.0	17.0	10.4	10.5	6.5
Gross Profit Growth	26.3	9.6	9.8	10.1	6.4
EBITDA Growth	26.2	20.9	10.2	11.2	9.5
Core PATANCI Growth	53.6	17.9	9.8	10.9	8.9

Profitability Ratios (%)	2024A	2025A	2026F	2027F	2028F
Gross Profit Margin	67.7	63.4	63.1	62.9	62.8
EBITDA Margin	19.6	20.3	20.2	20.4	21.0
EBIT Margin	14.2	18.0	17.9	17.9	18.3
Core PATANCI Margin	13.5	13.6	13.5	13.5	13.9

Balance Sheet (RM'm)	2024A	2025A	2026F	2027F	2028F
PPE	526.1	550.9	565.2	586.7	607.9
Intangible assets	0.2	0.2	0.3	0.3	0.3
Non-current assets	538.4	563.5	581.3	604.4	626.8
Inventories	45.2	50.8	60.4	67.2	73.0
ST - Trade receivables	121.5	137.0	140.5	155.2	165.3
Cash	21.6	44.6	46.6	51.7	55.4
Current assets	233.8	299.2	306.3	339.0	362.8
Total Assets	772.1	862.7	887.6	943.4	989.6
Total Equity	582.0	657.7	653.4	696.9	733.1
LT Loans	25.6	18.6	26.6	27.0	27.5
Non-current liabilities	56.2	50.1	66.1	70.7	74.0
ST Trade payables	50.2	52.1	64.0	71.1	77.2
ST Loans	23.0	11.0	23.8	24.2	24.7
Current Liabilities	133.9	154.9	168.2	175.8	182.5
Total Liabilities	190.1	205.0	234.2	246.5	256.4

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