Corporate Update

Mah Sing Group Berhad

(8583 | MSGB MK) Main | Property

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

Maintain **BUY**

Unchanged Target Price **RM1.25**

1QFY26 Results Review
A Positive Start to FY26

1QFY26 earnings within expectations. Mah Sing Group 1QFY26 core net income of RM67.9m came in within expectations, making up 24% and 23% of our and consensus full year estimates respectively.

Stronger sequential earnings. Sequentially, 1QFY26 core net income was higher at RM67.9m (+33.9%qoq) despite lower topline (-15.3%qoq) as earnings were lifted by better margin, lower expenses and lower tax rate. The lower topline was due to seasonally weaker progress billing in 1Q due to festive period. Meanwhile, gross profit margin expanded to 31% in 1QFY26 from 28% in 4QFY25 due to cost savings from projects. The earnings growth was also helped by normalised expenses and lower tax rate of 28% in 1QFY26 from 33% in 4QFY25.

A positive start to FY26. On a year-on-year basis, 1QFY26 core net income grew to RM67.9m (+6.8%qoq) while topline was lower (-13.3%yoy). The lower revenue was due to some of the projects are at initial stages of construction. The earnings growth was lifted by cost savings from finalisation of construction costs. That expanded gross profit margin to 31% in 1QFY26 from 26% in 1QFY25. Meanwhile, net gearing increased to 0.39x in 1QFY26 from 0.26x in 4QFY25 due to increased borrowings for land acquisitions.

New sales broadly in line. Mah Sing recorded new property sales of RM978m for 5MFY26, broadly on track to meet new sales target of RM2.76b for FY26. New sales momentum is expected to sustain by recent launches, namely M Aria in Sentul and M Aurora in Old Klang Road. Besides, the pipeline launches with total GDV of RM2.06 are expected to support new sales. Upcoming launches include M Mira in Setapak, M Hana in Puchong, M Amaya and M Cora in Penang, M Tiara 2 and MS Industrial Park @ Kulai in Johor. On the other hand, unbilled sales increased marginally to RM3.3b in 1QFY26 from RM3.2b in 4QFY25, providing >1 year earnings visibility.

Maintain BUY with an unchanged TP of RM1.25. We make no changes to our earnings forecast for FY26/27/28. We also maintain our TP for Mah Sing at RM1.25, based on 50% discount to RNAV. Overall long-term prospect will support by driven by the resilient sales of affordable homes. Besides, dividend yield is attractive at 5%. Hence, we maintain our **BUY** call on Mah Sing.

RETURN STATISTICS	
Price @ 29th May 2026 (RM)	0.99
Expected share price return (%)	+26.3
Expected dividend yield (%)	+5.0
Expected total return (%)	+31.3

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-10.0	-7.9
3months	-1.0	-13.9
12 months	-2.9	-13.3

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	5.0%	5.3%	5.7%

KEY STATISTICS	
FBM KLCI	1,683.07
Issue shares (m)	2560.14
Estimated free float (%)	56.83
Market Capitalisation (RM'm)	2,534.54
52-wk price range	RM0.92 - RM1.29
3-mth average daily volume (m)	6.59
3-mth average daily value (RM'm)	6.94
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: 1QFY26 RESULTS SUMMARY

FYE Dec (RM'm, unless otherwise stated)	Quarterly Results			Cumulative	
	1QFY26	%YoY	%QoQ	FY26	%YoY
Revenue	563.1	-13.33%	-15.3%	563.1	-13.3%
EBIT	111.1	2.15%	-4.2%	111.1	2.1%
PBT	93.1	1.84%	-6.6%	93.1	1.8%
Net Income	68.1	3.09%	10.2%	68.1	3.1%
Core Net Income	67.9	6.8%	33.9%	67.9	6.8%
EPS (sen)	2.66	3%	10.2%	2.7	3.1%
Core EPS (sen)	2.65	7%	33.9%	2.7	6.8%
Net DPS (sen)	0.00	NA	NA	0.0	NA
NTA/share (RM)	1.56	3%	-1.5%	1.56	3%
Net Gearing (x)	0.40	NA	NA	0.40	NA
EBIT Margin	19.7%	NA	NA	19.7%	NA
PBT Margin	16.5%	NA	NA	16.5%	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				50%
Target Price (RM)				**1.25**

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)	10.5	10.3	9.1	8.3	7.9
NTA/share	1.55	1.59	1.62	1.65	1.68
P/NTA	0.64	0.62	0.61	0.60	0.59

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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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