Corporate Update

IOI Properties Group Berhad

(5249 | IOIPG MK) Main | Property

FTSE4Good | ESG 4 Stars | SHARIAH Compliant

Maintain **BUY**

Unchanged Target Price **RM4.64**

4QFY26 Results Review
Strong Finish to FY26

FY26 earnings above expectations. IOI Properties Group FY26 core net income of RM844.6m came in above expectations, making up 107% and 120% of consensus and our full year forecast respectively. The positive deviation was due to recognition of land sales. IOI Properties Group announced final dividend of 8sen per share and a special dividend of 8 sen per share. The total dividend of 16sen translates into dividend yield of 4%.

Higher sequential earnings driven by land sales. Sequentially, 4QFY26 core net income was higher at RM277.7m (+6.6%qoq) in line with higher topline (+32.4%qoq). The higher sequential earnings were driven by recognition of the sale of Ampang land amounting to RM257.9m. Land monetization continues to support earnings as IOI Properties recognized Malacca land sales of RM130m in 3QFY26.

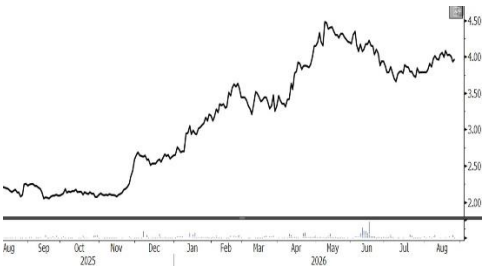
Strong finish to FY26. On a yearly basis, 4QFY26 core net income surged to RM277.7m from RM15.5m in 4QFY25. Recall that earnings in 4QFY25 were dragged by higher marketing expenses, lower gross profit margin, and the substantially higher tax expenses. That brought FY26 core net income higher at RM844.6m (+184.5%yoy). IOI Properties ended FY26 on a stronger note, driven primarily by the recognition of the Malacca and Ampang land sale. Earnings were further supported by higher contributions from its Singapore assets, namely JW Marriott Singapore South Beach, South Beach Avenue, and South Beach Tower. In addition, rental income from IOI Central Boulevard and IOI City Mall contributed to the overall earnings growth.

Land monetisation fuels growth. IOI Properties Group recorded total sales of RM3.9b in FY26, more than doubled of new sales of RM1.8b in FY25. The strong sales performance was largely attributable to land sales of RM1.3b. Malaysia remained the main sales contributor, accounting for 91% of FY26 sales. Meanwhile, unbilled sales increased to RM2.5b in 4QFY26 from RM2.1b in 3QFY26, providing earnings visibility for less than one year.

Maintain BUY with an unchanged TP of RM4.64. We revise our FY27/28 earnings forecast by +18.5%/+2.8%. We see earnings outlook for FY27 to be driven by land sales recognition in Banting and Kulai which is expected in 4QFY27. We maintain our **TP** for IOI Properties at **RM4.64** based on 18% discount to RNAV. The monetisation of its landbank is expected to support future earnings growth. Together with the listing of IOIPG REIT, the proceeds should help reduce IOI Properties' net gearing from the relatively high level of 0.89x recorded in 4QFY26. Hence, we maintain our **BUY** call on IOI Properties Group.

RETURN STATISTICS	
Price @ 27th Aug 2026 (RM)	3.99
Expected share price return (%)	+16.3
Expected dividend yield (%)	+4.0
Expected total return (%)	+20.3

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	6.7	4.6
3months	0.8	-9.0
12 months	89.0	71.7

INVESTMENT STATISTICS

FYE June	2026A	2027F	2028F
Revenue	4,444	4,791	4,492
Operating Profit	1,691	1,436	1,338
Profit Before Tax	1,526	1,113	1,011
Core PATAMI	845	862	783
Core EPS	15.34	15.55	14.12
DPS	16.00	8.00	8.00
Dividend Yield	4.0%	2.0%	2.0%

KEY STATISTICS

FBM KLCI	1,741.72
Issue shares (m)	5506.15
Estimated free float (%)	30.42
Market Capitalisation (RM'm)	21,970
52-wk price range	RM2.03 – RM4.62
3-mth average daily volume (m)	4.43
3-mth average daily value (RM'm)	17.65
Top Shareholders (%)	
Vertical Capacity Sdn Bhd	65.68
EPF	7.71

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IOI Properties Group: 4QFY26 RESULTS SUMMARY

FYE June (RM'm, unless otherwise stated)	Quarterly Results			Cumulative	
	4QFY26	%YoY	%QoQ	FY26	%YoY
Revenue	1386.8	55.8%	32.4%	4,443.5	45.1%
Core EBIT	547.5	135.5%	23.8%	1,691.3	76.7%
Core PBT	561.9	161.2%	60.3%	1,525.7	122.0%
Net Income	523.1	-36.5%	102.7%	2,154.4	102.5%
Core Net Income	277.7	1686.0%	6.6%	844.6	184.5%
EPS (sen)	9.5	-36.5%	102.7%	39.1	102.5%
Core EPS (sen)	5.0	1686.0%	6.6%	15.3	184.5%
Net DPS (sen)	16.0	100.0%	N/A	16.0	100.0%
NTA/share (RM)	4.5	1.1%	NA	4.5	NA
Net Gearing (x)	0.88	NA	NA	0.88	NA
Core EBIT Margin	39.5%	NA	NA	38.1%	NA
Core PBT Margin	40.5%	NA	NA	34.3%	NA

Source: Company, MBSB Research

IOI Properties Group RNAV

	Stake	Est remaining GDV (RM m)	WACC (%)	Value (RM m)
Klang Valley Projects				
16 Sierra, South Puchong	100%	6557	10%	650
Bandar Puchong Jaya, Puchong	100%	1102	10%	147
Bandar Puteri, Puchong	100%	13431	10%	1331
IOI Resort City, Putrajaya	100%	15647	10%	1019
Bandar Puteri Bangi, Selangor	100%	4739	10%	470
Bandar Puteri Warisan, Sepang	100%	3160	10%	354
Banting Industrial Park	100%	1631	10%	263
Johor Projects				
Bandar Putra Kulai, Johor	100%	3823	10%	379
Bandar IOI Segamat, Johor	100%	483	10%	65
Taman Lagenda Putra, Kulai, Johor	100%	56	10%	8
Taman Kempas Utama, Johor Bahru, Johor	100%	743	10%	95
i-Synergy, Senai, Kulai, Johor	100%	1670	10%	204
Other States Projects				
Bandar IOI, Bahau, Negeri Sembilan	100%	140	10%	17
Singapore Projects				
Cape Royale @ Sentosa Cove, Singapore	65%	3082	10%	202
Seascape @ Sentosa Cove	50%	994	10%	66
Marina View	100%	11749	10%	1322
Unbilled sales		853		108
Subtotal				6700
Total				**6700**
Shareholder Funds				24428.8
Total RNAV				31129
Enlarged share base				5506.0
RNAV per share (RM)				5.65
Discount				18%
Target Price (RM)				**4.64**

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026A	2027F	2028F
Revenue	2,940	3,062	4,444	4,791	4,492
EBIT	703	957	1,691	1,436	1,338
PBT	776	687	1,526	1,113	1,011
Net Income	541	1,064	845	862	783
Core Net Income	541	297	845	862	783
Core EPS (sen)	9.8	5.4	15.3	15.6	14.1
Core PER (x)	42.8	78.1	26.0	25.7	28.3
NTA/share	4.38	4.40	4.56	4.70	4.87
P/NTA	0.96	0.96	0.88	0.85	0.82

Balance Sheet (RM'm)	2024A	2025A	2026A	2027F	2028F
Property, plant and equipment	3,848	4,359	8,065	8,234	8,358
Land held for property development	5,549	5,725	4,846	4,783	4,721
Total non-current assets	35,269	36,116	42,639	43,108	44,014
Property development costs	5,738	6,167	6,611	6,941	7,392
Inventories	1,920	1,272	1,172	1,195	1,219
Cash and bank balances	2,050	1,902	2,053	2,117	2,183
Other assets	1,101	1,459	2,632	820	1,020
Total Assets	**46,078**	**46,915**	**55,107**	**54,181**	**55,827**
Long Term Borrowings	18,684	16,926	24,356	24,916	25,490
Short-term Borrowings	483	2,663	997	1,019	1,041
Other Liabilities	2,636	2,804	3,983	2,111	2,179
Total Liability	21,803	22,393	29,336	28,046	28,709
Share capital	18,514	18,514	18,514	18,514	18,514
Other Equity	5,760	6,008	7,257	7,621	8,604
Total Equity	24,275	24,522	25,771	26,135	27,118
Equity + Liability	**46,078**	**46,915**	**55,107**	**54,181**	**55,827**

Cash Flow (RM'm)	2024A	2025A	2026A	2027F	2028F
Cash flows from operating activities					
Net income before taxation	2296	1464	2647	1113	1011
Net cash from operating activities	1464	1060	2391	676	624
Cash flows from investing activities					
Net cash used in investing activities	-1911	-833	-3340	-200	-207
Cash flows from financing activities					
Drawdown of borrowings	16825	2048	11447	63	136
Net cash from/(used in) financing activities	-47	86	2039	-374	-300
Net increase/(decrease) in cash and cash equivalents	-494	313	1090	102	117
Cash and cash equivalent at 1 January	2711	2224	2486	3535	3643
Cash and cash equivalent at 1 December	2194	2474	3535	3643	3766

Profitability Ratios (%)	2024A	2025A	2026A	2027F	2028F
EBIT margin	23.9%	31.3%	29.0%	30.0%	29.8%
PBT margin	26.4%	22.4%	21.5%	23.2%	22.5%
PAT margin	18.4%	34.7%	16.7%	18.0%	17.4%
Core PATAMI margin	18.4%	9.7%	16.7%	18.0%	17.4%
ROE	2.3%	1.2%	2.8%	3.3%	2.9%
ROA	1.2%	0.6%	1.3%	1.6%	1.4%

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MBSB 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