Corporate Update

Mah Sing Group Berhad

(8583 | MSGB MK) Main | Property

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

Maintain **BUY**

Unchanged Target Price **RM1.40**

2QFY26 Results Review
Earnings Delivery Remains Intact

1HFY26 earnings within expectations. Mah Sing Group 1HFY26 core net income of RM135.3m came in within expectations, making up 49% and 47% of our and consensus full year estimates respectively.

Sequential earnings weighed by higher expenses. Sequentially, 2QFY26 revenue was higher at RM656.3m (+16.5%qoq) driven by a pickup in progress billings following the seasonally weaker 1QFY26. Despite the stronger topline performance, core net income was marginally lower at RM67.4m (-0.7%qoq) as earnings were weighed by higher selling and marketing expenses (+31%qoq). Earnings were further impacted by margin normalisation, with gross profit margin narrowing to 29% in 2QFY26 from 31% in 1QFY26 due to lower project-related cost savings. Going forward, selling and marketing expenses is expected to normalise in 2HFY26.

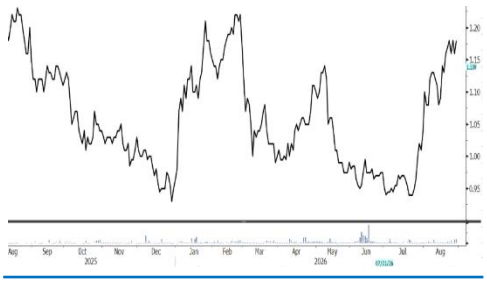
Earnings delivery remains intact. On a year-on-year basis, 2QFY26 core net income was marginally higher at RM67.4m (+0.5%yoy), bringing cumulative earnings in 1HFY26 higher at RM135.3m (+3.8%yoy). The stronger earnings were underpinned by higher progress billings from its ongoing development projects, which more than offset the increase in operating costs, particularly selling and marketing expenses. Meanwhile, finance costs rose 21%yoy in 1HFY26, mainly attributable to higher borrowings.

New sales on track. Mah Sing recorded new property sales of RM1.32b in 1HFY26, on track to meet new sales target of RM2.76b for FY26. Sales momentum in 2HFY26 is expected to support by the upcoming launches with key launches include M Hana in Puchong, M Mira in Setapak, M Cora in Penang and M Tiara 2 in Johor. Besides, Mah Sing is set to launch MS Industrial Park @ Kulai in Johor which should sustain new sales momentum going forward. On the other hand, unbilled sales increased marginally to RM3.5b in 2QFY26 from RM3.3b in 1QFY26, providing >1 year earnings visibility.

Maintain BUY with an unchanged TP of RM1.40. We maintain our earnings forecast for FY26/27/28. We maintain our **TP** for Mah Sing at **RM1.40**, based on 45% discount to RNAV. We see healthy earnings outlook for Mah Sing, underpinned by progressive revenue recognition from its robust sales of M Series projects. In addition, the group's growing presence in the industrial property segment should provide an additional growth avenue and further enhance its long-term earnings prospects. The monetisation of land parcels in Southville City is expected to strengthen its financial position and provide additional capital to support the expansion of its core property development business through further land banking initiatives. This is evidenced by its recent land acquisition in Ampang, which marks the commencement of its land banking strategy for the year. Hence, we maintain our **BUY** call on Mah Sing.

RETURN STATISTICS	
Price @ 28th Aug 2026 (RM)	1.18
Expected share price return (%)	+18.6
Expected dividend yield (%)	+4.2
Expected total return (%)	+22.8

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	15.7	15.6
3months	21.0	16.2
12 months	2.6	-6.4

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	4.2%	4.5%	4.8%

KEY STATISTICS	
FBM KLCI	1,725.88
Issue shares (m)	2560.14
Estimated free float (%)	64.34
Market Capitalisation (RM'm)	3,020.96
52-wk price range	RM0.92 - RM1.24
3-mth average daily volume (m)	6.26
3-mth average daily value (RM'm)	6.74
Top Shareholders (%)	
Mayang Teratai Sdn Bhd	25.51
Mayang Teratai Limited	7.03
Oversea-Chinese Banking Corp Ltd	6.05

Analyst
Jessica Low Jze Tieng
jessica.lowjt@mbsb.com
03-2173 8391

Mah Sing Group: 2QFY26 RESULTS SUMMARY

FYE Dec (RM'm, unless otherwise stated)	Quarterly Results			Cumulative	
	2QFY26	%YoY	%QoQ	FY26	%YoY
Revenue	656.3	15.97%	16.5%	1,219.4	0.3%
EBIT	117.8	11.21%	6.0%	228.9	6.6%
PBT	99.6	4.21%	6.9%	192.7	3.0%
Net Income	72.5	9.77%	6.5%	140.5	6.4%
Core Net Income	67.4	0.5%	-0.7%	135.3	3.8%
EPS (sen)	2.83	10%	6.5%	5.5	6.4%
Core EPS (sen)	2.63	0%	-0.7%	5.3	3.6%
Net DPS (sen)	0.00	NA	NA	0.0	NA
NTA/share (RM)	1.59	3%	1.8%	1.59	3%
Net Gearing (x)	0.39	NA	NA	0.39	NA
EBIT Margin	18.0%	NA	NA	18.8%	NA
PBT Margin	15.2%	NA	NA	15.8%	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
M Araya	100%	1920	10%	142
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				**2333**
Shareholder Funds				3882
Total RNAV				6215
Number of shares				2438
RNAV per share (RM)				2.55
Discount				45%
Target Price (RM)				**1.40**

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)	12.4	12.2	10.7	9.8	9.3
NTA/share	1.55	1.59	1.62	1.65	1.68
P/NTA	0.76	0.73	0.72	0.71	0.70

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%

MBSB RESEARCH is part of MBSB Investment Bank Berhad 197501002077 (24878-X)

(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report is prepared by MBSB Investment Bank Berhad (Company Registration No.: 197501002077 (23878-X)) and is for distribution only to the intended readers and under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is provided solely for informational purposes and does not constitute a Shariah advice nor constitute an investment recommendation or basis for any credit or other evaluation in any manner whatsoever.

The opinions and analyses contained in this report are based on information obtained or derived from sources that MBSB Investment Bank Berhad believes to be reliable. Any forward-looking statements in this report speak only as of the date of such statements. However, MBSB Investment Bank Berhad makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or reliability of such information, and it should not be relied upon as such.

While the information presented in this report may include references to Shariah -compliant and non-compliant securities or other financial instruments, this report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments or to promote or endorse any specific investment. Investors are strongly advised to conduct their own due diligence and to consult licensed Shariah or financial advisors before making any investment decisions. Any action taken based on this report is at the sole discretion and risk of the investor.

The analyses in this report are based on numerous assumptions, and different assumptions could yield different results. All opinions and estimates in this report are subject to change without notice.

The research analysts will initiate, update, and cease coverage solely at the discretion of MBSB Investment Bank Berhad.

The directors, employees, and representatives of MBSB Investment Bank Berhad and MBSB Berhad may have interests in any of the securities mentioned and may benefit from the information contained herein. Members of MBSB Berhad and their affiliates may provide services to any company or its affiliates whose securities are mentioned in this report.

This report shall not be reproduced, distributed, or published in any form or for any purpose without the prior written consent of MBSB Investment Bank Berhad.

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