

25 February 2026

# Gas Malaysia

## Normalising Volumes, Sustained Yields

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**GASMSIA delivered a resilient set of FY25 results, with core profit of RM385.2m meeting expectations. Following the recovery of sales volume, previously impacted by gas curtailment due to the Putra Heights fire, earnings are expected to remain stable, strongly supporting its attractive dividend yield. We have marginally trimmed our FY26 earnings forecast by 1%, for housekeeping. We maintain our MARKET PERFORM call with a higher TP of RM4.50, underpinned by a compelling dividend yield of >5%.**

**FY25 results met expectations**, with core profit of RM385.2m coming in just 3% and 5% below our and consensus FY25 forecasts, respectively. It declared a 2<sup>nd</sup> interim NDPS of 8.5 sen (ex-date: 03 Apr; payment date: 24 Apr) totalling FY25 NDPS to 14.5 sen against the 26.2 sen paid in FY24 and our FY25 projection of 25.3 sen. However, we believe it will declare a final dividend subsequently as historically it pays a separate final NDPS following 4Q results announcement.

**Another softer quarter sequentially.** 4QFY25 core profit dipped 4% QoQ to RM91.0m from RM95.1m as revenue fell 3% to RM1.81b. The decline was attributed to a lower MRP (-7% to RM36.64/mmbtu) impacting retail margins alongside higher admin expenses. On a positive note, sales volume normalised to pre-Putra Heights fire levels, with gas sales volume rising 3% QoQ.

**FY25 a weaker year on double whammy.** FY25 core profit declined 13% YoY to RM385.2m, from the record RM441.8m achieved in FY24. This contraction was driven by margin compression from contract renewals in Jan 2025 while the Putra Heights fire led to a 1% decline in total gas volume. In addition, a lower average MRP (-9%) also contributed to lower retail margins.

**Outlook.** The steady recovery of gas volume following the Putra Heights fire should sustain earnings growth and support attractive dividend yields. We expect therecovery to be sufficient to mitigate the narrower margin spreads resulting from the Jan 2025 contract renewals.

**Forecasts.** We have fine-tuned our FY26 profit forecasts by -1%, for housekeeping. We also introduce our new FY27 earnings forecasts where we expect profit to grow by 1.3% on the back of a 2% rise in gas sales volume. Our FY26-FY27 NDPS projections are based on unchanged payout ratio of 80%.

**Valuations.** Following earnings revision and valuation base rollover to FY26F, we have raised our DCF-derived TP slightly to RM4.50 from RM4.45, based on unchanged WACC of 6.5% and a terminal growth rate of 2.5%. There is no adjustment to our TP based on ESG given a 3-star rating as appraised by us (see Page 5).

**Investment case.** We like GASMSIA for its: (i) strong market position, as a key natural gas retailer in Malaysia, (ii) strong earnings visibility underpinned by its ability to retain customers, typically via 3-year contract, and (iii) strong free cash generation, anchoring a dividend yield of >5%. However, we believe the positives are already reflected in the price. Thus, we maintain our **MARKET PERFORM** rating.

**Risks to our recommendation include:** (i) regulatory risk, (ii) volatility in margin spread of non-regulated business, and (ii) economic slowdown hurting demand for gas.

## MARKET PERFORM ↔

**Price:** RM4.75  
**Target Price:** RM4.50 ↑

### Share Price Performance



KLCI	1,754.01
YTD KLCI chg	4.4%
YTD stock price chg	8.7%

### Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	GMB MK
Market Cap (RM m)	6,099.0
Shares Outstanding	1,284.0
52-week range (H)	4.92
52-week range (L)	3.66
3-mth avg daily vol:	944,724
Free Float	26%
Beta	0.6

### Major Shareholders

Anglo Oriental Annuity	30.9%
Tokyo Gas Mitsui	18.5%
Petronas Gas Bhd	14.8%

### Summary Earnings Table

FY Dec (RM m)	2025	2026F	2027F
Turnover	7336.7	8018.8	8179.2
EBIT	521.7	521.3	531.9
PBT	521.4	535.2	541.9
<b>Net Profit (NP)</b>	<b>381.7</b>	<b>406.8</b>	<b>411.9</b>
<b>Core Net Profit</b>	<b>385.2</b>	<b>406.8</b>	<b>411.9</b>
Consensus (NP)	-	418.4	429.8
Earnings Revision (%)	-	-1.4	NEW
Core EPS (sen)	30.0	31.7	32.1
Core EPS Growth (%)	-12.8	5.6	1.3
NDPS (sen)	14.5	25.3	25.7
NTA/Share (RM)	1.21	1.28	1.34
BV/Share (RM)	1.21	1.28	1.34
Core PER (x)	15.8	15.0	14.8
Price/NTA (x)	3.9	3.7	3.5
PBV (x)	3.9	3.7	3.5
Gearing (x)	0.09	0.01	0.02
Dividend Yield (%)	3.3	5.3	5.4

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Income Statement								
	4Q	3Q	Q-o-Q	4Q	Y-o-Y	12M	12M	Y-o-Y
FYE Dec (RM m)	FY25	FY25	Chg	FY24	Chg	FY25	FY24	Chg
Turnover	1814.9	1874.7	-3%	2055.9	-12%	7336.7	8044.9	-9%
EBITDA	163.9	161.7	1%	176.4	-7%	639.7	691.4	-7%
Depreciation	-35.6	-28.0	27%	-28.6	24%	-118.0	-110.4	7%
EBIT	128.4	133.6	-4%	147.8	-13%	521.7	581.0	-10%
Interest income	3.4	4.2	-20%	5.5	-39%	17.5	20.1	-13%
Interest expense	-4.9	-4.9	1%	-1.4	245%	-19.2	-11.6	66%
Share of JV results	2.1	-1.1	N/A	0.3	631%	6.0	4.2	41%
Exceptional items	-4.7	0.0	#DIV/0!	-1.0	370%	-4.7	-0.5	815%
Pre-tax profit	124.2	131.9	-6%	151.2	-18%	521.4	593.3	-12%
Zakat expenses	-0.9	-0.9	0%	-0.9	0%	-3.5	-3.5	0%
Taxation	-35.9	-35.9	0%	-37.6	-4%	-136.1	-148.4	-8%
Profit after tax	87.4	95.1	-8%	112.7	-22%	381.7	441.4	-14%
Minority interest	0.0	0.0	N/A	0.0	N/A	0.0	0.0	N/A
Net profit	87.4	95.1	-8%	112.7	-22%	381.7	441.4	-14%
Core net profit	91.0	95.1	-4%	113.5	-20%	385.2	441.8	-13%
EPS (sen)	7.1	7.4	-4%	8.8	-20%	30.0	34.4	-13%
NDPS (sen)	8.5	0.0	N/A	19.9	-57%	14.5	26.2	-45%
NTA/share (RM)	1.21	1.15	6%	1.17	4%	1.21	1.17	4%
EBITDA margin	9.0%	8.6%		8.6%		8.7%	8.6%	
EBIT margin	7.1%	7.1%		7.2%		7.1%	7.2%	
Pre-tax margin	6.8%	7.0%		7.4%		7.1%	7.4%	
Effective tax rate	29.6%	27.9%		25.4%		26.8%	25.6%	
Total Sales Volume (m GJ)	41.9	40.6	3%	41.6	1%	159.6	161.5	-1%
MRP	36.64	39.24	-7%	42.13	-13%	38.98	43.00	-9%

Source: Company

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### Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside (%)	Market Cap (RM'm)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE (%)	Net Div. (sen)	Net Div Yld (%)
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
<b>Stocks Under Coverage</b>																	
GAS MALAYSIA BHD	MP	4.75	4.50	-5.3%	6,099.0	Y	12/2026	31.7	32.1	5.6%	1.3%	15.0	14.8	3.7	25.4%	25.3	5.3%
KJTS GROUP BHD	OP	0.830	2.12	155.4%	573.0	Y	12/2025	2.3	4.0	20.8%	71.1%	35.4	20.7	6.1	16.4%	0.5	0.6%
MALAKOFF CORP BHD	OP	0.835	1.09	30.5%	4,080.6	Y	12/2025	2.8	4.3	-37.8%	51.1%	29.4	19.5	0.9	3.1%	2.3	2.8%
PEKAT GROUP BHD	OP	1.25	1.68	34.4%	882.8	Y	12/2025	7.2	8.5	109.0%	17.5%	17.4	14.8	3.1	24.0%	0.0	0.0%
PETRONAS GAS BHD	MP	18.60	18.80	1.1%	36,804.4	Y	12/2026	95.9	97.2	12.1%	1.4%	19.4	19.1	2.5	13.1%	72.0	3.9%
SAMAIDEN GROUP BHD	OP	1.08	2.08	92.6%	542.4	Y	06/2026	6.9	8.4	24.0%	21.6%	15.6	12.8	4.3	29.8%	0.0	0.0%
SOLARVEST HOLDINGS BHD	OP	2.24	3.45	54.0%	2,122.7	Y	03/2026	10.3	14.3	51.9%	39.2%	21.7	15.6	4.4	22.7%	0.0	0.0%
SWIFT ENERGY TECHNOLOGY	OP	0.195	0.470	141.0%	195.2	Y	09/2026	1.3	2.0	-29.3%	53.8%	15.0	9.8	2.5	19.1%	0.0	0.0%
TENAGA NASIONAL BHD	OP	14.10	16.80	19.1%	82,190.9	Y	12/2025	78.8	85.9	-4.1%	9.0%	17.9	16.4	1.3	7.4%	39.0	2.8%
YTL POWER INTERNATIONAL	OP	2.91	4.40	51.2%	25,119.6	N	06/2026	30.3	31.6	-14.2%	4.3%	9.6	9.2	1.0	10.8%	8.0	2.7%
<b>SECTOR AGGREGATE</b>					<b>158,610.6</b>					<b>-4.1%</b>	<b>7.1%</b>	<b>16.5</b>	<b>15.4</b>	<b>3.0</b>	<b>17.2%</b>		<b>1.8%</b>

Source: Kenanga Research

**Stock ESG Ratings:**

	Criterion	Rating			
<b>GENERAL</b>	Earnings Sustainability & Quality	★	★	★	★
	Community Investment	★	★	★	
	Workers Safety & Wellbeing	★	★	★	
	Corporate Governance	★	★	★	
	Anti-Corruption Policy	★	★	★	
	Emissions Management	★	★	★	
<b>SPECIFIC</b>	Transition to Renewables	★	★	★	
	Reliable Energy & Fair Tariff	★	★	★	
	Effluent/Waste Management	★	★	★	
	Ethical Practices	★	★	★	
	Supply Chain Management	★	★	★	
	Customer Satisfaction	★	★	★	
<b>OVERALL</b>		★	★	★	

☆ denotes half-star  
 ★ -10% discount to TP  
 ★★ -5% discount to TP  
 ★★★ TP unchanged  
 ★★★★ +5% premium to TP  
 ★★★★★ +10% premium to TP

**Stock Ratings are defined as follows:**

**Stock Recommendations**

OUTPERFORM : A particular stock’s Expected Total Return is MORE than 10%  
 MARKET PERFORM : A particular stock’s Expected Total Return is WITHIN the range of -5% to 10%  
 UNDERPERFORM : A particular stock’s Expected Total Return is LESS than -5%

**Sector Recommendations\*\*\***

OVERWEIGHT : A particular sector’s Expected Total Return is MORE than 10%  
 NEUTRAL : A particular sector’s Expected Total Return is WITHIN the range of -5% to 10%  
 UNDERWEIGHT : A particular sector’s Expected Total Return is LESS than -5%

**\*\*\*Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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