

02 March 2026

Mah Sing Group

Sales Momentum on the Rise

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MAHSING's FY25 net profit (+8%) and interim dividend came in within expectations. Although launch delays resulted in sales falling short of its FY25 target, the group still achieved a 10-year high and is guiding for stronger performance in FY26. There have been no material updates on its data centre initiatives to date, which we believe an outright land sale could be a more viable monetisation strategy. We maintain our OUTPERFORM call and TP of RM1.78.

FY25 within expectations. MAHSING's FY25 net profit of RM260m came in at 97% of our full-year forecast and 98% of consensus full-year estimate. The interim dividend of 5 sen (49% payout) was also as expected.

YoY, FY25 net profit increased by 8% driven by higher gross margin (28.1%, +3.2 pts) thanks to better recognition from several projects nearing completion. This was despite revenue coming in flattish.

QoQ, 4QFY25 net profit declined by 7%. Although the period reported higher property development revenue from better development progress, this was offset by seasonally higher operating expenses.

Highlights. In FY25, MAHSING recorded property sales of RM2.51b. While this fell short of its RM2.65b target, it represents a commendable achievement and the group's highest annual sales level in the past decade. The shortfall was mainly due to delayed launches, with the group expecting spillover into FY26 to support a higher sales target of RM2.76b.

Beyond its residential segment, Mah Sing is expanding its industrial presence through a 60:40 joint venture with KLK to acquire and develop 419 acres of freehold industrial land in Kulai, Johor, with an estimated GDV of RM2.26b. On its data centre initiatives for the Southville City and Meridian East sites, while no definitive developments have been announced, the group continues to engage potential partners and is also exploring the option of an outright land sale instead of a build-to-lease model.

Forecasts. Although FY25 was within expectations, we opted to raise our FY26F earnings by 7% following the group's higher sales target of RM2.76b (vs FY25's achieved RM2.51b). Meanwhile, we also introduce our FY27F earnings which should also benefit from the translated higher unbilled sales.

Maintain OUTPERFORM and SoP-TP of RM1.78. Our SoP comprises of a 50% discount to RNAV (contributing RM1.49/share in fair value) on top of a DCF valuation for its data centre landbank should the group manage to materialise its initial intention to form a JV to operate the prospective DC (contributing RM0.29/share in fair value based on a WACC: 4.5% and TG: 1.5%).

Even assuming the group's data centre aspiration does not materialise, our core property development valuations still allow an attractive 27% capital upside for MAHSING, as the group continue to offer strong earnings stability with its affordable products offering and effective land banking management. There is no adjustment to our TP based on ESG given a 3-star rating appraised by us.

OUTPERFORM ↔

Price: **RM1.17**
Target Price: **RM1.78** ↔

Share Price Performance



KLCI	1,716.61
YTD KLCI chg	2.2%
YTD stock price chg	21.2%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	MSGB MK Equity
Market Cap (RM m)	2,995.4
Shares Outstanding	2,560.1
52-week range (H)	1.31
52-week range (L)	0.93
3-mth avg. daily vol.	7,825,398
Free Float	57%
Beta	1.43

Major Shareholders

Mayang Teratai SdnBhd	25.5%
Amanah Saham Nasional	7.5%
Mayang Teratai Limited	7.0%

Summary Earnings Table

FYE Dec (RM m)	2025A	2026F	2027F
Turnover	2,517	2,760	2,900
Operating Profit	441	449	476
Profit Before Tax	383	382	410
Net Profit (NP)	260	278	299
Core NP (CNP)	260	278	299
Consensus (CNP)	-	297	317
Earnings Revision	-	+6.8%	NEW
FD EPS (sen)	10.2	10.9	11.7
FD EPS Growth (%)	8.0	7.0	7.3
NDPS (sen)	5.0	5.5	6.0
BV/Share (RM)	1.59	1.64	1.70
FD PER (x)	11.5	10.8	10.0
Price/BV (x)	0.74	0.71	0.69
Net Gearing (x)	0.25	0.27	0.19
Dividend Yield (%)	4.3	4.7	5.1

02 March 2026

Risks to our call include: (i) persistent overhang in the high-rise segment, (ii) widening losses at its glove division due to persistent oversupply, and (iii) sustained elevated inflation and mortgage rates, hurting affordability.

Result Highlight

	4Q	3Q	QoQ	4Q	YoY	12M	12M	YoY
FYE Dec (RM m)	FY25	FY25	Chg	FY24	Chg	FY25	FY24	Chg
Revenue	665.0	635.9	4.6%	744.4	-11%	2,516.6	2,520.3	-0.1%
Cost of Goods Sold	-478.4	-458.7	4.3%	-572.1	-16%	-1,809.4	-1,891.8	-4.4%
Gross Profit	186.6	177.2	5.3%	172.3	8%	707.2	628.5	12.5%
Other income	21.0	11.9	76.2%	8.6	145%	48.4	34.2	41.8%
Selling and marketing expenses	-28.3	-20.7	36.3%	-23.1	23%	-88.0	-73.3	20.1%
Administrative and other expenses	-63.4	-57.8	9.7%	-52.4	21%	-226.2	-197.8	14.4%
Operating Profit	116.1	110.6	4.9%	105.4	10%	441.4	391.6	12.7%
Net Finance Income / (Cost)	-16.3	-14.4	13.6%	-17.3	-6%	-58.5	-54.5	7.3%
Profit Before Tax	99.7	96.2	3.6%	88.1	13%	382.9	337.1	13.6%
Taxation	-32.5	-26.5	22.6%	-29.3	11%	-105.3	-98.0	7.5%
Minority interest	-5.5	-3.5	56.9%	1.7	-420%	-17.6	1.6	N.M.
Net Profit	61.7	66.2	-6.8%	60.4	2%	260.0	240.7	8.0%
One-off Adjustments	0.0	0.0	n.a	0.0	N.M.	0.0	0.0	N.M.
Core Net Profit	61.7	66.2	-6.8%	60.4	2%	260.0	240.7	8.0%
Gross Profit Margin	28.1%	27.9%		23.1%		28.1%	24.9%	
Operating Margin	17.5%	17.4%		14.2%		17.5%	15.5%	
Pretax Margin	15.0%	15.1%		11.8%		15.2%	13.4%	
Net Margin	9.3%	10.4%		8.1%		10.3%	9.6%	
Effective Tax Rate	32.6%	27.5%		33.3%		27.5%	29.1%	
Net Gearing	0.24	0.24		0.01		0.24	0.01	

Source: Kenanga Research

Segmental Breakdown

	4Q	3Q	QoQ	4Q	YoY	12M	12M	YoY
<u>Revenue</u>	FY25	FY25	Chg	FY24	Chg	FY25	FY24	Chg
Property	533.7	500.3	7%	599.4	-11%	1,997.8	2,010.7	-0.6%
Manufacturing	117.3	120.4	-3%	130.0	-10%	459.9	458.2	0.4%
Investment & Others	14.1	15.2	-7%	14.9	-6%	58.9	51.4	14.5%
Total Revenue	665.0	635.9	5%	744.4	-11%	2,516.6	2,520.3	-0.1%
<u>Operating Profit</u>								
Property	99.0	108.1	-8%	103.5	-4%	418.6	381.3	9.8%
Manufacturing	2.1	-1.2	-274%	-3.8	-156%	-4.3	-8.0	-47.0%
Investment & Others	14.9	3.7	300%	5.8	159%	27.1	18.3	47.5%
Total Operating Profit	116.05	110.61	5%	105.4	10%	441.4	391.6	12.7%
<u>Operating Margin</u>								
Property	18.5%	21.6%		17.3%		21.0%	19.0%	
Manufacturing	1.8%	-1.0%		-3.0%		-0.9%	-1.8%	
Investment & Others	105.9%	24.5%		38.6%		45.9%	35.7%	
Total Operating Margin	17.5%	17.4%		14.2%		17.5%	15.5%	

Source: Kenanga Research

02 March 2026

MAHSING's SoP			
Property Development	Remaining Land Bank (acres)	Outstanding GDV (RM b)	NPV of Profit (RM b)
<u>GREATER KL</u>			
Commercial			
Southgate	-	2	0
Star Avenue	-	88	6
Integrated Development & Residential			
Hijauan Residence	25	226	15
Garden Residence	13	76	5
Perdana Residence 2	4	13	1
Aman Perdana	1	1	0
Bayu Sekamat	3	7	0
Icon Residence Mont Kiara	-	6	0
Garden Plaza, Cyberjaya	-	31	2
M Suites @ Jalan Ampang	-	5	0
Icon City, Petaling Jaya	10	1,901	121
M City, Jalan Ampang	-	2	0
M Residence 1 / M Panora @ Rawang	24	27	2
M Residence 2 @ Rawang	2	44	3
M Aruna @ Rawang	29	149	10
Southville City @ Bangi	310	8,336	514
D'Sara Sentral	-	32	2
Lakeville Residence	-	1	0
M Centura/M Arisa, Sentul	-	4	0
M Vertica, Cheras	-	28	2
M Senyum, Salak Tinggi	4	4	0
M Astra, Setapak	-	11	1
M Nova, Kepong	-	51	4
M Terra/M Hana, Puchong	4	484	32
M Legasi (Glengowrie Estate), Semenyih	461	3,002	192
M Zenya, Kepong	-	129	10
M Azura, Setapak	-	202	14
M Aspira, Taman Desa	2	498	36
M Aurora, Old Klang Road	5	660	47
M Aria, Sentul	3	283	19
Corus Hotel Site, Jalan Ampang	1	1,280	88
M Legasi 2, Semenyih	275	1,700	117
M Mira	3	300	21
<u>PENANG</u>			
Integrated Development & Residential			
Ferringhi Residence	30	313	22
Southbay City	17	1,365	84
M Cora, Bandar George Town	3	528	33
<u>JOHOR</u>			
Residential & Industrial			
Sierra Perdana	37	140	10
Meridin@Medini	-	189	13
Meridin East	864	2,898	199
M Minori	-	98	7
M Tiara	-	6	0
M Tiara 2	100	1,450	103
Tiara Hills	59	463	32
M Grand Minori	3	1,169	77
MS Industrial Park @ Kulai	419	2,260	144
	2,711	30,462	1,990.1
Unbilled Sales (as of 4FQY25)		3,240	1,723.4
PD Net Assets (FY24)			3,882.3
PD RNAV (RM m)			7,595.8
Discount ascribed to PD RNAV			50%
Discounted PD RNAV			3,797.9
20% stake in Data Centre (DCF @ WACC: 4.5%, TG: 1.5%)			749.4
Total SoP Value			4,547.4
Number of shares (m shares)			2,560.1
Target Price (RM)			1.78

Source: Company, Kenanga Research

02 March 2026

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.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.
PROPERTY DEVELOPERS																					
Eco World Development Group	OP	2.25	2.24	-0.4%	7,240.9	Y	10/2026	15.9	16.2	14.9%	1.5%	14.1	13.9	1.1	7.7%	7.5	3.3%				
IOI Properties Group Bhd	MP	3.45	2.81	-18.6%	18,996.2	Y	06/2026	11.2	12.4	112.3%	10.1%	30.7	27.9	0.8	4.5%	5.0	1.4%				
LBS Bina Bhd	OP	0.470	0.640	36.2%	719.8	Y	12/2026	7.1	8.1	66.5%	15.2%	6.7	5.8	0.4	6.1%	3.3	7.0%				
Mah Sing Group Bhd	OP	1.17	1.78	52.1%	2,995.4	Y	12/2026	10.9	11.7	7.0%	7.3%	10.8	10.0	0.7	6.7%	5.5	4.7%				
Malaysian Resources Corp Bhd	MP	0.310	0.560	80.6%	1,384.9	Y	12/2026	1.8	1.4	19.2%	-18.9%	43.7	23.5	0.3	1.7%	1.0	3.2%				
Paramount Corporation Bhd	OP	1.08	1.47	36.1%	672.6	Y	12/2026	21.0	22.0	82.8%	4.7%	5.1	4.9	0.4	8.6%	8.5	7.9%				
S P Setia Bhd	OP	0.915	1.43	56.3%	4,578.0	Y	12/2026	6.1	7.3	-33.3%	18.9%	15.0	12.6	0.3	2.4%	2.0	2.2%				
Sime Darby Property Bhd	OP	1.45	1.97	35.9%	9,861.2	Y	12/2026	8.2	9.2	8.0%	11.4%	17.6	15.8	0.9	5.1%	3.3	2.3%				
Sunway Bhd	UP	5.86	4.98	-15.0%	39,616.1	Y	12/2026	20.5	19.4	7.8%	-5.4%	28.5	30.2	2.2	7.8%	6.5	1.1%				
UOA Development Bhd	MP	1.89	1.91	1.1%	5,018.0	Y	12/2026	13.7	14.5	18.1%	6.0%	13.8	13.0	0.8	5.8%	12.0	6.3%				
SECTOR AGGREGATE					91,083.1					20.5%	4.1%	24.0	23.0	0.7	5.4%		4.0%				

Source: Kenanga Research

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Stock ESG Ratings:

	Criterion	Rating				
GENERAL	Earnings Sustainability & Quality	★	★	★		
	Community Investment	★	★	★		
	Workers Safety & Wellbeing	★	★	★		
	Corporate Governance	★	★	☆		
	Anti-Corruption Policy	★	★	☆		
	Emissions Management	★	★	☆		
SPECIFIC	Product Quality & Safety	★	★	★	★	
	Effluent/Water Management	★	★	★		
	Waste Management	★	★	★		
	Biodiversity & Conservation	★	★	★		
	Green Building	★	★	★		
	Supply Chain Management	★	★	★		
OVERALL		★	★	★		

☆ 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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