

28 May 2026

Media Prima

Lackluster Amid Weak Adex

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MEDIA's 9MFY26 results surpassed expectations, mainly due to cost tailwinds from lower depreciation and tax expense. Despite softer adex leading to topline contraction, earnings expanded on the back of these cost efficiencies. We raise FY26F earnings by 18% but trim our FY27F profit by 8% (to reflect lower CY26F adex). Our TP is revised to RM0.34 (from RM0.37) after we roll-forward our valuation base year and cut our P/NTA multiple to 1.1x (from 1.2x). Maintain MARKET PERFORM.

Above expectations due to cost beat. 9MFY26 core net profit of RM12.1m (>2x YoY) exceeded expectations, accounting for 90% of our full-year forecast and 106% of consensus estimate. The earnings outperformance was primarily due to lower-than-expected depreciation and tax expenses.

Profit growth defies softer adex. The contraction in 9MFY26 revenue (-6% YoY) was mainly driven by weaker adex (-9.6% YoY) across most segments, except for the out-of-home (OOH) segment (+4.6% YoY). Additionally, topline was also weighed down by softer newspaper sales, coupled with lower demand for printing and logistics services.

These declines more than offset stronger contributions from: (i) home shopping (+12% YoY) which was supported by an expanded product offering across television platforms, (ii) content (+52% YoY), and (iii) subscription revenue (+40% YoY).

Core net profit more than doubled YoY, driven by a confluence of stronger topline revenue, easing depreciation charges, and lower tax expense.

Outlook. Our FY26 industry adex projection of RM4.24b (-9.5% YoY) reflects continued broad-based weakness across both traditional media and web-based digital advertising. This is driven by the ongoing shift of adex toward digital-native platforms, which offer superior audience reach, precise targeting, stronger ROI metrics, AI-enabled programmatic capabilities, and the rise of new commerce formats such as live streaming and Key Opinion Leader (KOL) marketing.

Against this backdrop, we view positively that MEDIA is gradually pivoting toward non-advertising revenue streams, which could enhance earnings resilience. This includes the development and monetisation of intellectual property (IP), such as feature films and locally produced content (e.g. reality shows, dramas, and animated films). However, this remains at an early stage, as advertising revenue still accounted for the lion's share (78%) of MEDIA's total revenue in 9MFY26.

Forecasts. We raise our FY26F earnings by 18% to reflect lower depreciation and taxes. However, we trim our FY27F profit by 3% after incorporating a projected 9.5% YoY decline in CY26F industry adex.

Valuation. Our lowered target price of RM0.34 (from RM0.37) reflects: (i) the reduction in forward P/NTA to 1.1x (from 1.2x), driven by a lower FY27F ROIC following the cut in earnings, and (ii) a roll-forward of the valuation base year to FY27F.

While our target P/NTA multiple of 1.1x represents a discount to the regression-derived fair multiple of 1.36x, we believe this is justified by: (i) the regression model's low predictive power ($R^2 = 0.31$), and (ii) mounting structural earnings pressure, as competing digital media platforms are further strengthened by AI-driven targeting capabilities.

There is no adjustment to our TP based on ESG given a 3-star rating as appraised by us (see Page 4).

MARKET PERFORM ↔

Price : **RM0.335**
Target Price : **RM0.34** ↓

Share Price Performance



KLCI 1,699.02
YTD KLCI chg 1.1%
YTD stock price chg -1.5%

Stock Information

Shariah Compliant	No
Bloomberg Ticker	MPR MK Equity
Market Cap (RM m)	371.6
Shares Outstanding	1,109.2
52-week range (H)	0.39
52-week range (L)	0.28
3-mth avg. daily vol.	69,416
Free Float	23%
Beta	0.47

Major Shareholders

Aurora MuliaSdnBhd	31.9%
JAG Capital Holdings	25.0%
Morgan Stanley	10.2%

Summary Earnings Table

FY/Jan (RM m)	2025A	2026F	2027F
Revenue	857.0	790.7	770.9
EBITDA	114.0	107.8	107.6
EBIT	39.1	28.1	35.3
PBT	35.6	28.0	33.6
Net Profit	21.0	16.5	19.9
Core PATAMI	22.1	15.8	19.9
Consensus (NP)	-	11.4	10.3
Earnings Revision	-	+18%	-3%
Core EPS (sen)	1.99	1.43	1.79
Core EPS Growth	12%	-28%	26%
DPS (sen)	1.5	1.5	1.5
NTA/Share (sen)	30.4	30.3	30.6
Core PER (x)	16.9	23.5	18.7
PBV (x)	0.5	0.5	0.5
Net Gearing (x)	-0.2	-0.2	-0.3
Div. Yield (%)	4.5	4.5	4.5

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Investment case. We acknowledge MEDIA's steady advancement in expanding its digital footprint compared with other traditional media peers. The group has built a meaningful online reach, with 147m social media followers and cumulative video views of 4.1b (Oct-Dec 2025). However, monetisation of its digital assets remains subdued, where it accounts for only 13% of 9MFY26 revenue. This highlights considerable room for growth and a clear gap versus digital-first competitors.

In addition to ongoing topline pressure from intense competition with pure-play digital platforms, MEDIA continues to be weighed down by fixed costs tied to its legacy infrastructure (e.g. broadcasting towers, printing facilities, and distribution networks). Against the backdrop of these dual challenges, we maintain our **MARKET PERFORM** rating.

Key risks to our call include: (i) accelerated obsolescence of traditional media driven by immense competition with modern digital platforms, (ii) inflated newsprint costs, and (iii) sustained and widened losses at the home shopping segment.

Results Highlights								
	3Q	2Q	QoQ	3Q	YoY	9M	9M	YoY
FYE Jun (RM m)	FY26	FY26	Chg	FY25	Chg	FY26	FY25	Chg
Revenue	192.1	204.6	-6.1%	211.6	-9.2%	595.6	634.5	-6.1%
EBITDA	19.9	31.2	-36.3%	23.7	-16.0%	73.8	75.2	-1.9%
Depreciation	(16.1)	(17.8)	-9.4%	(18.7)	-14.1%	(52.5)	(55.7)	-5.8%
Net Finance Costs	0.2	(0.3)	>100%	(0.5)	>100%	(1.1)	(1.4)	-20.9%
EI	0.2	(0.6)	>-100%	0.4	-51.5%	0.6	(0.0)	>-100%
PBT	4.2	12.5	-66.6%	4.9	-15.0%	20.9	18.1	15.2%
Taxation	(1.5)	(3.7)	-60.4%	(3.9)	-62.6%	(7.8)	(11.2)	-30.5%
Minority Interest	(0.3)	(0.0)	>-100%	0.4	>-100%	(0.3)	(1.1)	-71.4%
Reported Net Profit	2.4	8.8	-73.0%	1.4	73.0%	12.8	5.8	>100%
Core Net Profit	2.2	9.4	-77.1%	0.9	>100%	12.1	5.8	>100%
Core EPS (sen)	0.2	0.9	-77.7%	0.1	>100%	1.1	0.4	>100%
DPS (sen)	0.0	0.0	nm	0.0	nm	0.0	0.0	nm
EBITDA margin	10.4%	15.3%		11.2%		12.4%	11.9%	
PBT Margin	2.2%	6.1%		2.3%		3.5%	2.9%	
Core Net margin	1.1%	4.6%		0.4%		2.0%	0.9%	

Source: Company, Kenanga Research

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Segmental Highlights								
FYE Jun (RM m)	3Q FY26	2Q FY26	QoQ Chg	3Q FY25	YoY Chg	9M FY26	9M FY25	YoY Chg
Segmental Revenue								
Omnia	149.0	157.1	-5.2%	167.5	-11.0%	464.0	512.2	-9.4%
Broadcasting (TV and radio)	79.9	81.6	-2.0%	100.3	-20.3%	246.6	283.8	-13.1%
Out-of-Home	31.2	31.6	-1.4%	27.1	15.2%	93.1	89.0	4.6%
Publishing	24.2	29.5	-18.2%	28.3	-14.7%	82.7	92.2	-10.3%
Digital Media	24.9	27.5	-9.3%	24.3	2.5%	74.9	77.9	-3.9%
Home Shopping	27.0	25.9	4.3%	25.8	4.8%	77.3	68.7	12.5%
Corporate & Interco	(144.1)	(148.6)	-3.0%	(161.7)	-10.9%	(443.0)	(489.3)	-9.5%
Total	192.1	204.6	-6.1%	211.6	-9.2%	595.6	634.5	-6.1%
Segmental Profit after Tax								
Omnia	(0.9)	0.6	>-100%	0.1	-1014.4%	0.0	1.7	-97.5%
Broadcasting (TV and radio)	0.8	0.1	>100%	4.1	-80.4%	0.9	9.4	-89.9%
Out-of-Home	2.6	4.9	-47.0%	1.4	79.3%	9.0	10.9	-17.8%
Publishing	1.0	2.6	-61.1%	3.5	-71.3%	7.8	7.9	-0.3%
Digital Media	2.9	6.2	-54.1%	1.4	99.6%	10.0	6.7	49.0%
Home Shopping	0.8	0.4	>100%	(0.3)	-405.0%	1.4	(2.8)	>100%
Corporate & Interco	(4.5)	(6.0)	-25.7%	(9.3)	-52.3%	(16.2)	(26.8)	-39.6%
Total	2.7	8.8	-69.3%	1.0	171.8%	13.1	6.9	89.2%
Revenue by Source								
Adex	148.6	157.5	-5.7%	167.4	-11.2%	464.8	514.0	-9.6%
Newspaper sales	5.1	6.0	-15.8%	5.5	-7.6%	17.3	18.9	-8.6%
Newspaper printing & distribution	3.5	4.1	-13.4%	4.7	-25.6%	11.8	14.7	-19.8%
Content Sales	5.3	7.7	-30.5%	4.7	13.0%	15.7	10.3	52.0%
Sale of home shopping goods	26.4	25.3	4.4%	25.4	4.2%	75.6	67.6	11.8%
Subscription revenue	1.3	0.9	48.5%	1.0	33.3%	3.5	2.5	40.3%
Other ancillary revenue	0.8	2.2	-61.1%	1.8	-54.7%	4.0	3.5	12.7%
Rental income	0.9	1.0	-3.0%	1.0	-6.9%	3.0	3.0	-0.7%
Total	192.1	204.6	-6.1%	211.6	-9.2%	595.6	634.5	-6.1%

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Peer 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.
MEDIA																	
ASTRO MALAYSIA HOLDINGS BHD	MP	0.060	0.080	33.3%	313.6	N	01/2027	0.5	0.5	24.0%	5.9%	13.2	12.4	0.2	1.8%	0.0	0.0%
MEDIA CHINESE INTERNATIONAL	UP	0.080	0.085	6.3%	129.7	Y	03/2026	(2.7)	(2.3)	-63.6%	12.2%	N.A.	N.A.	0.3	-8.8%	0.0	0.0%
MEDIA PRIMA BHD	MP	0.335	0.370	10.4%	371.6	N	06/2026	1.2	1.8	-39.4%	53.0%	27.7	18.1	0.5	2.0%	1.5	4.5%
STAR MEDIA GROUP BHD	UP	0.300	0.330	10.0%	217.4	N	12/2026	(0.8)	0.8	-153.5%	198.4%	N.A.	36.2	0.3	-0.9%	0.0	0.0%
SECTOR AGGREGATE					1,032.3					-155.2%	-187.8%	-74.3	84.6	0.3	-0.4%		1.1%

Source: Bloomberg, Kenanga Research

Stock ESG Ratings:

	Criterion	Rating				
GENERAL	Earnings Sustainability & Quality	★	★	☆		
	Community & Investment	★	★	★		
	Workforce Safety & Wellbeing	★	★	★		
	Corporate Governance	★	★	★		
	Anti-Corruption Policy	★	★	★		
	Emissions Management	★	★	★		
SPECIFIC	Content Management	★	★	★	☆	
	Digitalisation & Innovation	★	★	★	☆	
	Cybersecurity/Data Privacy	★	★	☆		
	Diversity & Inclusion	★	★	★		
	Energy Efficiency	★	★	★		
	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

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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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