

29 May 2026

Supermax Corporation

Losses Continue in 3QFY26

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SUPERMX's 9MFY26 results missed expectations as losses persisted. In the quarterly results announcement, the group highlighted it is working towards, and is confident, of a turnaround in 2HCY26. However, we are less convinced judging by the high double-digit topline decline in 3QFY26. We are less optimistic of a faster-than-expected recovery in the group due to its less-than-optimum utilisation. We forecast a wider loss of RM117m and keep our FY27 forecasts. Due to persistent losses, we keep our UNDERPERFORM rating.

SUPERMX's 9MFY26 results missed expectations, registering a core net loss of RM115m (excluding one-off impairment on old and decommissioning of old plants, as well as slow-moving stocks), compared to our full-year net loss forecast of RM101m and the full-year consensus net loss estimate of RM99m. The negative variance from our result was due to lower-than-expected sales and higher-than-expected costs incurred in its US plant. No dividend was declared in this quarter as expected.

QoQ, its 3QFY26 revenue fell by a staggering 32%, we believe due to lower sales volume and ASP. It registered a loss at EBITDA level of RM14m compared to RM36m due to lower-than-expected operating expenses at its US plant, and absence of forex losses (RM9m) in 2QFY26. 3QFY26 net loss narrowed to RM41m compared to RM58m 2QFY26. YoY, its 9MFY26 topline fell 17% due to lower sales volume in orders. At the net level, its 9MFY26 losses widened to RM115m compared to RM93m in 9MFY25.

Outlook. We are less optimistic of a faster-than-expected recovery in the group. Specifically, 3QFY26 high double-digit decline in its topline is a major setback towards a bottom line recovery in the near term. In the 3QFY26 quarterly results note, it highlighted the installation cost & pre-operating expenses of the US plant will be substantially reduced effective from July 1, 2026 when the last production line complete installation, tested and commissioned. It is hopeful that beginning 2HCY26, the US plant would be able to take large volume of orders from wide range of US domestic customers. Due to the surging input raw material price arising from the Middle East tension, generally payers are able to raise ASPs to pass cost through. However, we believe the less-than-optimum production and sales, even with higher ASP, the group could still be in the red in the upcoming quarter.

Separately, it plans to invest c.USD50m to set up a glove manufacturing plant in Brazil. It is presently searching for a suitable manufacturing site where the utility infrastructure is readily available including inbound and outbound logistics, labour supply and availability of utility infrastructure. It has a net cash of RM475m as at 31 Mar 2026.

Valuations. We forecast a wider loss of RM117m and keep our FY27 forecasts. Due to persistent and deepened core losses, we keep our TP of RM0.24 based on 0.2x FY27F BVPS. There is no adjustment to TP based on ESG given a 3-star rating as appraised by us (see Page 3). Reiterate **UNDERPERFORM**.

Key risks to our recommendation include: (i) stronger-than-expected organic growth in global demand for gloves, (ii) oversupply situation eases on significant industry consolidation, and (iii) favourable changes in tariffs to Malaysian glove makers.

UNDERPERFORM ↔

Price: RM0.32
Target Price: RM0.24 ↔

Share Price Performance



KLCI 1,684.93
YTD KLCI chg 0.3%
YTD stock price chg -4.5%

Stock Information

Shariah Compliant No
Bloomberg Ticker SUCB MK
Market Cap (RM m) 978.3
Shares Outstanding 3,057.3
52-week range (H) 0.70
52-week range (L) 0.25
3-mth avg. daily vol. 13,556,420
Free Float 55%
Beta 0.6

Major Shareholders

Supermax H SdnBhd 40.7%
Vanguard Group Inc/T 2.4%

Summary Earnings Table

FY Jun (RM m)	2025A	2026F	2027F
Turnover	781.9	647.4	971.1
PBT / (LBT)	-210.6	-130.2	17.8
Net Profit / (Loss)	-160.4	-116.7	18.1
Core Net Profit / (Loss)	-160.4	-116.7	18.1
Consensus NP	-	-99	-17
Earnings Revision	-	-13%	-
EPS (sen)	-4.9	-3.6	0.6
EPS Growth (%)	(8.3)	(27.2)	(115.5)
NDPS (sen)	0.0	0.0	0.0
BVPS (RM)	1.25	1.21	1.22
PER (x)	-6.5	-8.9	57.9
PBV (x)	0.3	0.3	0.3
Net Gearing (%)	N.Cash	N.Cash	N.Cash
Dividend Yield (%)	-	-	-

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Result Highlight

	3Q	2Q	QoQ	3Q	YoY	9M	9M	YoY
FY Jun (RM m)	FY26	FY26	Chg %	FY25	Chg%	FY25	FY26	Chg %
Turnover	126.8	187.4	(32.4)	203.7	(37.8)	627.1	519.8	(17.1)
EBITDA / (LBITDA)	(14.3)	(35.8)	(60.0)	(17.4)	(17.7)	(99.2)	(43.2)	(56.4)
Depreciation	(28.9)	(27.8)	4.0	(15.8)	82.7	(47.3)	(87.1)	84.2
EBIT (LBIT)	(43.2)	(63.6)	(32.1)	(33.2)	30.0	(146.5)	(130.4)	(11.0)
Net Interest income/ (expense)	2.4	6.2	(61.8)	10.7	(77.8)	37.8	9.6	(74.6)
EI	0.0	0.0	NM	0.0	NM	0.0	(119.5)	NM
Associates	1.2	(1.1)	(206.3)	(0.3)	(457.8)	(0.1)	(0.9)	763.5
PBT / (LBT)	(39.6)	(58.5)	(32.2)	(22.9)	73.4	(108.8)	(241.1)	121.7
Taxation	(1.7)	(0.1)	1,092.4	(3.0)	(41.6)	11.0	6.9	(37.4)
Minorities	0.2	0.2	46.9	2.0	(88.2)	4.4	0.1	(98.3)
Net Profit / (loss)	(41.1)	(58.4)	(29.6)	(23.8)	72.8	(93.4)	(234.2)	150.9
Core net profit/(loss)	(41.1)	(58.4)	(29.6)	(23.8)	72.8	(93.4)	(114.7)	22.9
EPS / (LPS) (sen)	(1.3)	(1.9)	(30.0)	(0.8)	72.7	(3.0)	(7.6)	151.7
EBITDA margin (%)	(11.3%)	(19.1%)		(8.5%)		(15.8%)	(8.3%)	
PBT margin (%)	(31.3)	(31.2)		(11.2)		(17.3)	(46.4)	
Effective tax rate (%)	(4.4)	(0.2)		(13.0)		10.1	2.9	

Source: Bursa Malaysia, Kenanga Research

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Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside	Market Cap (RMm)	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.
Stocks Under Coverage																	
HARTALEGA HOLDINGS BHD	MP	1.21	1.18	-2.5%	4,123	Y	03/2027	4.8	5.2	100%	8%	25.4	23.4	0.9	3.6%	2.0	1.7%
KOSSAN RUBBER INDUSTRIES	OP	1.20	1.50	25.0%	3,026	Y	12/2026	6.8	7.3	14%	7%	17.7	16.5	0.8	4.6%	4.0	3.3%
SUPERMAX CORP BHD	UP	0.320	0.240	-25.0%	978	N	06/2026	(3.6)	0.6	-173%	-84%	N.A.	57.9	0.3	-2.9%	0.0	0.0%
TOP GLOVE CORP BHD	OP	0.780	0.750	-3.8%	6,254	Y	08/2026	1.5	1.7	117%	17%	53.5	45.7	1.3	2.5%	0.7	0.9%

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/Waste Management	★	★	☆
	Automation & Innovation	★	★	★
	Energy Efficiency	★	★	★
	Supply Chain Management	★	★	★
	Legal & Regulatory Compliance	★		
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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