

Invest Malaysia 2026

Company takeaways compendium

Representation across all sectors

Invest Malaysia 2026, held in Kuala Lumpur, show-cased 60 Bursa Malaysia listed companies representing all sectors across large, mid and small caps. Close to 300 meetings were hosted with >2,300 meeting requests fulfilled for >700 investors. Hottest sector was tech, based on attendance count, followed by consumer and construction. This report serves as a compendium for company takeaways, including outlook amid geopolitical issues, growth prospects, business strategies and catalysts.

Hot sectors and stocks

By count, GAM saw the highest number of investor meets, followed by IJM and KPJ. By sector, tech saw the most interest with over 400 investor meets across 10 companies, most interest seen with INRI, SKYECHIP and FRCB. Within the consumer space, LWSABAH (NR) has the most meetings, followed by QL.G. The sole representative for the media sector was newly listed Foodie Media which garnered fair attraction.

1Q26 results a stepping stone to discussion

Taking the cue from 1Q26 results, which were rather cautious, companies started their conversations. Running through key financials were on the main menus, followed by business prospects and strategies. While 1Q26 generally sent a semblance of cautiousness, companies were all prepared to face uncertain times amid geopolitical issues. As the MY Value Up guidebook was launched, investors also took the opportunity to ask companies how they were preparing for the programme.

Expansion plans amid challenges were main topics

Across most meetings, discussion points focused on company prospects amid uncertain times from geopolitical issues, especially cost pressures and supply chain management. Positively, most companies still sounded fairly comfortable with the outlook, especially among defensive sectors and stocks, namely consumer staples, healthcare and utilities. The banks and non-bank financials had discussions mainly on asset quality and capital management. Expansion plans were discussed throughout most meetings across sectors, suggesting a decent outlook ahead. We found the most positive vibes in the tech and renewable energy companies.

Remain sanguine on market outlook

Our 2026 YE KLCI target is at 1,750 (15x 2027E P/E) with 2026/27E earnings growth of 7.9%/6.6%, respectively. We toned down our view on banks to NEUTRAL post 1Q26 results citing cautiousness on NIM compression and asset quality; but tactically raised our view to POSITIVE for plantations riding on higher CPO ASPs. We remain positive on healthcare, REITs, renewable energy and transport. While we are still positive on consumer and construction, we are more selective on our picks focusing on consumer staples and MEP plays respectively. Key risks rest on geopolitics (tensions and tariffs), which could see the market trade into bear market territory of 1,500 (14x 2027E P/E with earnings growth halved to 3%).

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KLCI vs MSCI



Malaysia equities growth & valuation

		2025	2026E	2027E
KLCI @ 1,691	P/E(x)	16.6	15.4	14.4
Base Case				
KLCI @ 1,750	P/E(x)	17.4	16.1	15.1
Earnings Growth	(%)	5.1%	7.9%	6.6%
Bull Case				
KLCI @ 1,850	P/E(x)	18.4	17.0	16.0
Earnings Growth	(%)	5.1%	7.9%	6.6%
Bear Case				
KLCI @ 1,500	P/E(x)	14.9	14.5	14.0
Earnings Growth	(%)	5.1%	3.0%	3.0%

Source: Maybank IBG Research; as at 15 Jun 2026

Top Picks

Stock	Mkt cap (MYR'm)	Price (MYR)	TP (MYR)	Upside (%)	P/E (x) 26E	Div yld (%) 26E
Large Caps						
Tenaga	83,240	14.48	15.70	12.2	16.0	3.8
IHH	79,614	8.69	11.59	34.9	31.2	1.4
Press Metal	74,157	8.40	10.46	25.5	29.3	1.1
SD Guthrie	40,180	6.01	6.69	14.1	17.3	2.9
RHB Bank	35,811	8.41	9.40	17.6	10.5	5.7
Nestle Msia	21,340	94.50	120.00	29.4	35.9	2.8
Westports	20,997	6.03	6.48	11.1	19.2	3.9
Mr DIY	14,893	1.58	1.97	29.0	21.5	4.6
Mid-small Caps						
Bursa Malaysia	7,122	8.72	9.50	12.4	26.5	3.4
ITMAX	5,114	4.90	5.92	21.7	40.8	0.6
Solarvest	2,733	3.00	4.31	43.7	23.5	-
Paradigm REIT	1,545	0.95	1.32	47.4	12.8	8.0
MN Holdings	1,649	2.48	2.90	16.94	17.9	0.1

Source: FactSet, Maybank IBG Research; as at 15 Jun 2026

Participating Corporates

1. 3REN Bhd (3REN MK)	3	28. Karex Bhd (KAREX MK)	66
2. 99 Speed Mart (99SMART MK)	4	29. Kee Ming Group (KEEMING MK)	67
3. AEON Credit Service (ACSM MK)	5	30. KPJ Healthcare (KPJ MK)	70
4. Alpha IVF Group (ALPHA MK)	6	31. Kuala Lumpur Kepong (KLK MK)	73
5. AMMB Holdings (AMM MK)	7	32. Lianson Fleet Group (LFG MK)	76
6. Aquawalk Group (AQUAWALK MK)	10	33. Life Water (LWSABAH MK)	79
7. Axiata Group (AXIATA MK)	11	34. MISC Bhd (MISC MK)	80
8. Axis REIT (AXRB MK)	14	35. MN Holdings (MNHLDG MK)	83
9. Bursa Malaysia (BURSA MK)	17	36. MR D.I.Y. Group (M) (MRDIY MK)	86
10. CIMB Group Holdings (CIMB MK)	20	37. MTT Shipping and Logistics (MTTSL MK)	89
11. Cnergnez Bhd (CNERGEN MK)	23	38. Oxford Innotech (OXB MK)	90
12. Cypark Resources (CYP MK)	24	39. Pekat Group (PEKAT MK)	91
13. Dialog Group (DLG MK)	27	40. Petronas Chemicals (PCHEM MK)	94
14. Duopharma Biotech (DBB MK)	30	41. QL Resources (QLG MK)	97
15. Eco World Development (ECW MK)	31	42. SD Guthrie (SDG MK)	100
16. Eco-Shop Marketing (ECOSHOP MK)	34	43. Sime Darby Bhd (SIME MK)	103
17. Farm Fresh Berhad (FFB MK)	37	44. Sime Darby Property (SDPR MK)	107
18. Foodie Media (FOODIE MK)	40	45. Solarvest Holdings (SOLAR MK)	110
19. Frontken Corp. Bhd (FRCB MK)	41	46. SP Setia (SPSB MK)	113
20. Gamuda (GAM MK)	44	47. Sunway (SWB MK)	116
21. Hong Leong Bank (HLBK MK)	47	48. Telekom Malaysia (T MK)	119
22. IHH Healthcare (IHH MK)	50	49. Tenaga Nasional (TNB MK)	122
23. IJM Corporation (IJM MK)	53	50. Unisem (M) Bhd (UNI MK)	125
24. Inari Amertron (INRI MK)	56	51. ViTrox Corp (VITRO MK)	126
25. IOI Corporation (IOI MK)	59	52. VSTECs Bhd (VST MK)	129
26. ITMAX System Bhd (ITMAX MK)	62	53. Westports Holdings (WPRTS MK)	130
27. Johor Plantations Group (JPG MK)	65	54. YTL Power (YTLP MK)	133

3REN Bhd (3REN MK)

Growth across all divisions

Not Rated

Share Price

MYR 0.39

Bright prospects

Prospects look bright for 3REN, which has seen its orderbook surge 40% YoY in 1Q26. Revenue in 1Q26 alone jumped 52% YoY while net profit expanded more than 5-fold. Its ADS/ESS/PES divisions target to deliver revenue growth of 30%/15%/10% respectively, in FY26. 3REN is Not Rated, but on annualising its 1Q26 net profit, the stock would trade at a prospective FY26 P/E of 20x.

Orderbook rose 40% YoY in 1Q26

Listed in Nov 2024, 3REN's principal activities are a) product engineering services (PES), b) engineering support services (ESS) and c) automation and digitalisation solutions (ADS), which contributed to 26%/38%/36% of group revenue respectively, in 1Q26. Positively, the group's orderbook bounced 40% YoY in 1Q26 with further QoQ growth expected, driven by orders wins from PES and ADS segments. Currently, the 3 divisions make up 33%/22%/45% of the orderbook respectively.

Several growth drivers in FY26

Into 2Q26, 3REN sees a potential ramp up of its ESS business with Customer I, for the latter's advanced packaging Phase 1 factory set up, alongside extended software development and maintenance services from its WFE customer and continued post-silicon validation activities with Customer A. New orders are also expected from lighthouse manufacturing and automation equipment across semiconductor, consumers electronics, and medical devices customers. By division, ADS targets >30% revenue growth in FY26, with ESS and PES targeting >15% and >10% respectively.

Annualised prospective FY26 P/E of 20x

3REN is non-rated under our coverage and the stock currently trades at a historical FY25 P/E of 28.9x. 3REN was listed on the ACE Market on Nov 2024. There is no existing broker coverage on the stock based on Bloomberg, but if we were to annualise its 1Q26 net profit of MYR3.2m, the stock would trade at a prospective FY26 P/E of 20x.

FYE Dec (MYRm)	FY21A	FY22A	FY23A	FY24A	FY25A
Revenue	74.2	103.6	94.9	103.4	107.1
EBITDA	17.8	15.2	17.2	14.1	11.6
Core net profit	16.1	12.1	11.6	8.7	8.4
Core EPS (sen)	2.5	1.9	1.8	1.3	1.3
Core EPS growth (%)	42.2	(24.9)	(3.9)	(24.6)	(3.6)
Net DPS (sen)	0.0	0.0	0.0	0.5	0.8
Core P/E (x)	22.6	30.2	31.4	41.6	43.2
P/BV (x)	7.3	6.3	6.2	3.7	3.5
Net dividend yield (%)	-	-	-	0.9	1.3
ROAE (%)	32.2	22.5	19.9	11.2	8.4
ROAA (%)	24.8	16.5	14.4	8.8	6.8
EV/EBITDA (x)	22.4	26.2	23.1	28.2	34.3
Net gearing (%) (incl perps)	Net cash	Net cash	Net debt	Net cash	Net cash

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Company Description

3REN Bhd. is an investment holding company, which engages through its subsidiaries in the provision of automation solutions and engineering services.

Statistics

52w high/low (MYR)	0.46/0.22
3m avg turnover (USDm)	0.2
Free float (%)	20.0
Issued shares (m)	651
Market capitalisation	MYR254.0M
	USD63M

Major shareholders:

R3 Capital Sdn. Bhd.	39.9%
LEE CHEE HOO	19.9%
Malaysian Technology Development Corp. S	5.0%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(1)	30	59
Relative to index (%)	3	32	44

Source: FactSet

99 Speed Mart (99SMART MK)

Neighbourhood retail lead

Not Rated

Share Price

MYR 3.36

Mass market, maximum reach

99 Speedmart (99SM) is Malaysia's homegrown mini-market operator with >3,000 outlets and 22 DCs across Malaysia and Fuzhou, China. 99SM leverages on its extensive distribution network, value-for-money product positioning with focus on daily essentials to drive both store expansion and SSSG. 1Q26 results saw revenue growth supported by higher customer traffic, favourable product mix and operating leverage. Its net cash position highlights the strength of its cash-generative business model.

Continued expansion mode

Discussions at meetings mainly focused on 99SM's expansion plans - outlets, operating hours, product mix and overseas reach. Management reiterated its target of opening ~250 new stores annually with FY26 likely maintaining this pace. While store rollout is not a challenge, a limiting factor is distribution capacity, where management cited Kelantan and East Malaysia as examples. Meanwhile, extended operating hours has seen better spending traction, believed to be due to its price advantage. Separately, 99SM has started selling selected Midea branded small electrical appliances (1 rack of 120-140 racks in a store. Management affirmed that it is keeping its China presence to just Fuzhou.

Supported by resilient demand for essential goods

Management alluded to continued outlet expansion and healthy SSSG while increasing penetration into underserved location nationwide. Management is also driving incremental growth through extended operating hours (9am-10pm, selected stores until 11pm/11.30pm), which should see full year earnings impact from FY27 onwards. Combined with resilient demand for essential consumer goods, strong cash-backed balance sheet and improving margins, 99SM should be well positioned to sustain growth.

Trading at 39x/35x FY26/27E consensus P/E

99SM is currently trading at 38.6x/35.0x FY26E/27E consensus P/E. Bloomberg consensus estimates an FY26E net profit of MYR730.5m. There are currently 14 brokers covering the stock with 11 BUYs, 2 HOLDs and 1 SELL ratings. Consensus target prices are ranging from MYR2.90 to MYR4.51. 99SM was listed on Bursa Malaysia in Sept 2024.

FYE Dec (MYRm)	FY23A	FY24A	FY25A
Revenue	9,214.1	9,981.6	11,433.2
EBITDA	804.4	924.7	1,128.4
Core net profit	401.6	473.9	636.9
Core EPS (sen)	4.6	5.5	7.2
Core EPS growth (%)	-	19.4	30.5
Net DPS (sen)	-	1.25	4.50
Core P/E (x)	72.4	60.6	46.5
P/BV (x)	64.3	19.4	16.8
Net dividend yield (%)	-	0.4	1.3
ROAE (%)	82.1	50.1	40.7
ROAA (%)	15.4	15.3	16.4
EV/EBITDA (x)	33.9	29.5	24.2
Net gearing (%) (incl perps)	136.1	37.3	54.9

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Company Description

99 Speed Mart Retail Holdings Bhd. engages in the retail of consumable merchandise and household products.

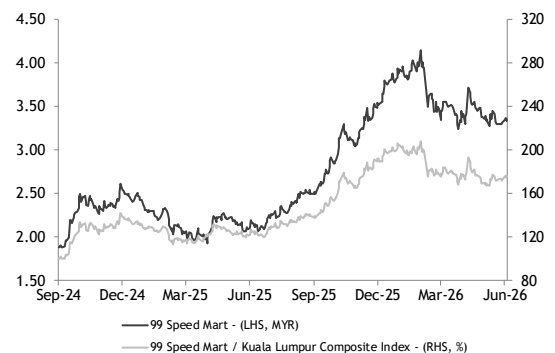
Statistics

52w high/low (MYR)	4.15/2.07
3m avg turnover (USDm)	3.4
Free float (%)	9.6
Issued shares (m)	8,400
Market capitalisation	MYR28.2B USD7.0B

Major shareholders:

LEE THIAM WAH	79.7%
Employees Provident Fund	7.2%
NG LEE TIENG	3.3%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(1)	(4)	55
Relative to index (%)	3	(3)	40

Source: FactSet

Abbreviations

SSSG: Same store sales growth
DC: Distribution centres

AEON Credit Service (ACSM MK)

Quality over quantity

Selective growth, stronger ecosystem

ACSM's meetings focused on strengthening its consumer finance ecosystem across cards, easy payment, hire purchase, personal financing, AEON Wallet, AEON Bank and AEON360. Growth will stay selective, led by cards and payments, motorcycles and better quality M40 borrowers. NIM should remain stable, though credit cost may stay above 4% as underwriting tightens and AEON Bank remains in investment phase. ACSM trades at a prospective consensus FY27E PER of 7.4x.

To build a higher quality ecosystem

ACSM's investor meetings focused on its consumer finance ecosystem (i.e. credit cards, easy payment, hire purchase, personal financing, AEON Wallet, AEON Bank and AEON360). Key themes were shifting toward better quality M40 customers, tightening personal financing to young and low income customers, sustaining motorcycle financing via merchants, building AEON Bank's deposits and SME lending, using AEON360 to bolstering its data base, improving AI capability, optimising sukuk and Japanese funding, and managing Consumer Credit Act regulatory changes.

Stable margins the focus

ACSM's earnings outlook is cautious but stable. Growth should remain selective, led by cards and payments, motorcycle financing and higher quality M40 borrowers, while personal financing is being tightened for younger and lower income customers to protect asset quality. NIM should stay broadly stable, with yields around 14-15% and funding cost near 4.1%. Credit cost may remain in the >4% range as the group balances financing growth, collections, write offs and stricter underwriting discipline, while AEON Bank remains in investment phase until CY28.

Trades at a consensus FY27 P/E of 7.4x

Consensus estimates a net profit of MYR406.3m for FY27 and MYR459.8m for FY28, this representing a growth rate of 5.3% and 13.2% respectively. At its current share price prospective FY27E/FY28E P/Es are at 7.4x/6.5x respectively. Its dividend yield, based on its FY26 DPS of 30.75sen, is >5%.

FYE Feb (MYRm)	FY22A	FY23A	FY24A	FY25A	FY26A
Operating income	1,524.9	1,640.2	1,912.5	2,200.7	2,471.7
Pre-provision profit	857.7	862.9	940.3	1,007.3	1,109.1
Core net profit	365.4	417.7	424.0	370.6	385.9
Core EPS (MYR)	0.70	0.80	0.81	0.73	0.76
Core EPS growth (%)	58.7	14.7	1.6	(10.5)	4.1
Net DPS (MYR)	0.24	0.25	0.28	0.29	0.31
Core P/E (x)	8.4	7.3	7.2	8.1	7.8
P/BV (x)	1.5	1.3	1.1	1.1	1.0
Net dividend yield (%)	4.1	4.2	4.8	4.9	5.2
Book value (MYR)	3.92	4.55	5.17	5.55	6.00
ROAE (%)	19.2	18.8	16.7	13.6	13.1
ROAA (%)	3.6	3.9	3.6	2.8	2.5

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Not Rated

Share Price

MYR 5.86

Company Description

AEON Credit Service (M) Bhd. engages in providing consumer financing products and services.

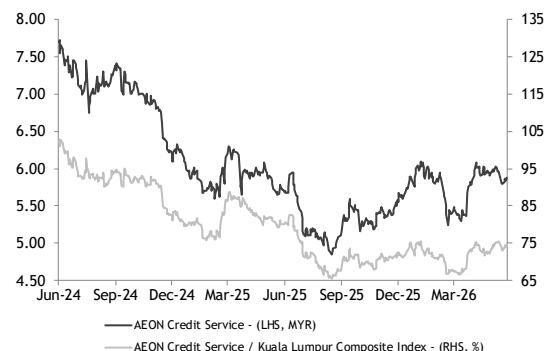
Statistics

52w high/low (MYR)	6.09/4.85
3m avg turnover (USDm)	0.3
Free float (%)	33.0
Issued shares (m)	511
Market capitalisation	MYR3.0B USD737M

Major shareholders:

AEON Financial Service Co., Ltd.	61.5%
Employees Provident Fund	2.3%
Kumpulan Wang Persaraan	2.0%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(1)	8	2
Relative to index (%)	3	10	(7)

Source: FactSet

Alpha IVF Group (ALPHA MK)

Healthy Delivery

Setting the gold standards

Alpha IVF expects FY26 revenue to exceed FY25, driven by stronger local and foreign patient demand. Management highlighted the group's strong market positioning, on account of its clinical success rates, consistently exceeding both international competency and gold-standard benchmarks. This reinforces its reputation as a leading IVF provider and supports its ability to command premium pricing due to superior clinical outcomes.

Temporary Pain, Future Recovery

Discussions were mainly focused on margin compression, as 9MFY26 YoY PATMI margin declined (32.7% to 27.0%) due to startup and pre-operating costs. The declines was driven by approvals and licensing delays, which extended the opening timeline for new centers, resulting in prolonged salary, rental, travel and other costs being incurred. Pre-operating staff costs alone amounted to around MYR1.3m, as new centres' specialists need to be hired and trained 6-12 months before opening. However, management emphasised that this is a temporary issue rather than a structural margin problem. With most centres expected to be operational by 2027, PATMI margin should recover towards the historical level (30%+).

Sustained demand and gradual new centres ramp up

Management articulated that company's outlook remains positive, with expectations that FY26 revenue would surpass FY25 and deliver double-digit revenue growth. Confidence is underpinned by sustained demand from both domestic and international patients, as well as the gradual ramp-up of newly established centres. 9M FY26 revenue grew 15.5% YoY to MYR146.5m, accounting for approximately 82.9% of FY25's full-year revenue of MYR176.8m. 9M26 gross profit increased 14.4% to MYR87.6m, in line with revenue growth. Minimum 60% PATMI payout ratio target in 9M FY26 had been exceeded, with a payout ratio of 61.2%, suggesting that it remains on track to maintain its dividend policy for the full year.

Trading at 22x/21x FY26/27E consensus P/E

Alpha IVF is currently trading at 22.27/20.42 FY26/27E P/E. Bloomberg consensus estimates an FY26E net profit of MYR54.3m. There are currently 3 brokers covering the stock with 3 BUY. Consensus target prices are ranging from MYR0.33 to MYR0.30. Alpha IVF was listed on Bursa Malaysia in Mar 2024.

FYE May (MYRm)	FY24A	FY25A
Revenue	167.6	176.8
EBITDA	79.1	83.0
Core net profit	59.6	61.2
Core EPS (sen)	1.2	1.2
Core EPS growth (%)	-	2.6
Net DPS (sen)	1.15	1.00
Core P/E (x)	21.3	20.8
P/BV (x)	5.9	5.8
Net dividend yield (%)	4.7	4.1
ROAE (%)	31.4	31.1
ROAA (%)	52.2	25.6
EV/EBITDA (x)	5.4	5.1
Net gearing (%) (incl perps)	Net cash	Net cash

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Not Rated

Share Price

MYR 0.25

Company Description

Alpha IVF Group Bhd. engages in the investment holdings and business management consultancy services.

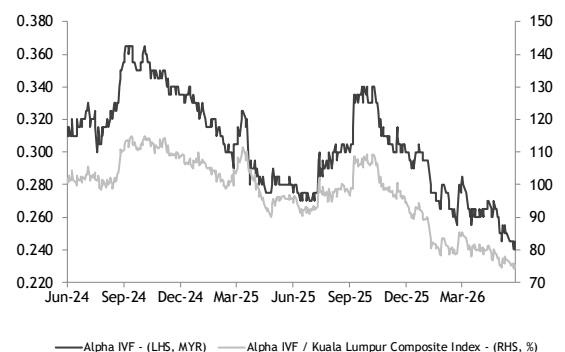
Statistics

52w high/low (MYR)	0.34/0.24
3m avg turnover (USDm)	0.1
Free float (%)	21.6
Issued shares (m)	4,860
Market capitalisation	MYR1.2B USD293M

Major shareholders:

LEE SOON SOO	32.1%
NG PENG WAH	9.3%
Ace Specialists Sdn. Bhd.	9.2%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(8)	(9)	(14)
Relative to index (%)	(4)	(8)	(22)

Source: FactSet

AMMB Holdings (AMM MK)

Potentially higher payouts

HOLD

Share Price	MYR 6.57
12m Price Target	MYR 6.70 (+7%)
Previous Price Target	MYR 6.70

Balancing asset quality and capital

AMMB's asset quality has been stable thus far and credit costs are expected to be stable into FY27. With potential enhancement to its CET1 ratio under Basel III reform from Jan 2028 onwards, we would not be surprised if dividend payout ratios gradually rise against our current assumption of 55%. Valuations, however, are fair at the moment and we maintain a HOLD call, along with our GGM-derived TP of MYR6.70 (CY26E P/BV of 0.98x, COE: 9.9%, g: 4%, CY26E ROE: 9.8%).

Asset quality still under control

Where AMMB has seen some stress is in its retail banking and commercial banking portfolios, whereby absolute gross impaired loans (GILs) rose 11% and 45% YoY respectively end-Mar 2026. Nevertheless, the group's GIL ratio has been relatively stable, rising just marginally to 1.59% end-Mar 2026 from 1.54% end-Mar 2025. The de-risking of the group's Retail SME (RSME) segment is beginning to yield results in stabilising the asset quality of this book and the demand for loan restructuring among the SMEs has been relatively insignificant thus far.

Credit cost expected to be stable

The group's net credit cost was 21bps in FY26 versus 16bps in FY25, and management's expectation is for a NCC of ~18-21bps in FY27 (MIBG: 22bps). AMMB still has ~MYR300m in management overlays - 2/3 for retail and 1/3 against RSMEs. Moreover, loan recoveries are expected to be better in FY27 relative to FY26. Loan loss coverage (LLC) stood at 71.6% end-Mar 2026, which management attributes to higher recovery rates for mortgages (of ~65%) and RSME loans that carry SJPP (Syarikat Jaminan Pembiayaan Perniagaan) guarantees. LLC including regulatory reserves stood at 100.9% end-Mar 2026.

Higher dividend payouts in the near future?

Under Basel III reform, AMMB estimates a 150-200bp enhancement to its CET1 ratio (14.8% end-Mar 2026) from 1 Jan 2028 onwards. This is a sizeable uplift and we would not rule out higher dividend payouts in the future, against our present 55% assumption.

FYE Mar (MYR m)	FY25A	FY26A	FY27E	FY28E	FY29E
Operating income	4,821	5,049	5,389	5,610	5,865
Pre-provision profit	2,623	2,746	3,002	3,134	3,295
Core net profit	2,001	2,101	2,159	2,254	2,372
Core EPS (MYR)	0.61	0.64	0.65	0.68	0.72
Core EPS growth (%)	15.6	4.9	2.6	4.4	5.2
Net DPS (MYR)	0.30	0.35	0.36	0.37	0.39
Core P/E (x)	9.2	10.4	10.1	9.7	9.2
P/BV (x)	0.9	1.0	0.9	0.9	0.9
Net dividend yield (%)	5.4	5.3	5.4	5.7	6.0
Book value (MYR)	6.22	6.52	6.92	7.21	7.52
ROAE (%)	10.0	9.9	9.7	9.6	9.7
ROAA (%)	1.0	1.0	1.0	1.0	1.0
Consensus net profit	-	-	2,168	2,287	na
MIBG vs. Consensus (%)	-	-	(0.4)	(1.4)	na

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Company Description

AMMB Holdings provides integrated financial services such as retail banking, wholesale banking, investment banking, and Islamic banking, among others.

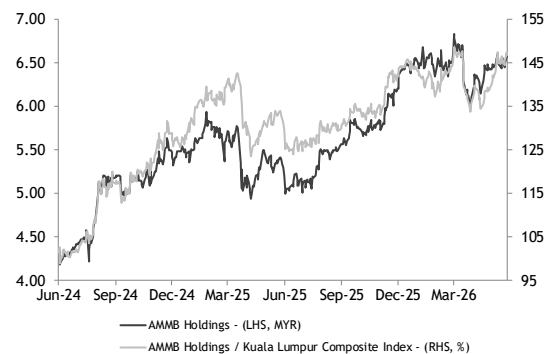
Statistics

52w high/low (MYR)	6.83/4.99
3m avg turnover (USDm)	11.1
Free float (%)	65.3
Issued shares (m)	3,314
Market capitalisation	MYR21.8B USD5.4B

Major shareholders:

Employees Provident Fund	17.0%
HASHIM AZMAN	11.8%
Permodalan Nasional Bhd.	6.9%

Price Performance



	-1M	-3M	-12M
Absolute (%)	1	1	22
Relative to index (%)	5	3	11

Source: FactSet

Link to latest report:

[AMMB Holdings \(AMM MK\) - FY26 results within expectations](#)

FYE 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Key Metrics					
Core P/E (x)	9.2	10.4	10.1	9.7	9.2
Core FD P/E (x)	9.2	10.4	10.1	9.7	9.2
P/BV (x)	0.9	1.0	0.9	0.9	0.9
P/NTA (x)	0.9	1.0	1.0	0.9	0.9
Net dividend yield (%)	5.4	5.3	5.4	5.7	6.0

INCOME STATEMENT (MYR m)

Interest income	6,149.3	6,043.0	6,280.4	6,478.7	6,718.4
Interest expense	(3,791.2)	(3,594.4)	(3,757.9)	(3,912.6)	(4,065.2)
Net interest income	2,358.0	2,448.6	2,522.5	2,566.2	2,653.2
Islamic banking income	1,350.6	1,444.0	1,559.5	1,684.3	1,819.0
Net insurance income	0.0	0.0	0.0	0.0	0.0
Net fees and commission	660.4	638.7	657.8	677.6	697.9
Other income	452.0	518.1	649.6	682.0	694.5
Total non-interest income	1,112.4	1,156.8	1,307.4	1,359.5	1,392.4
Operating income	4,821.1	5,049.4	5,389.5	5,610.0	5,864.7
Staff costs	(1,457.4)	(1,546.1)	(1,623.5)	(1,704.6)	(1,789.9)
Other operating expenses	(740.4)	(757.4)	(764.5)	(771.8)	(779.3)
Operating expenses	(2,197.8)	(2,303.6)	(2,387.9)	(2,476.4)	(2,569.2)
Pre-provision profit	2,623.3	2,745.8	3,001.6	3,133.6	3,295.5
Loan impairment allowances	(224.0)	(312.7)	(330.0)	(345.0)	(360.9)
Other allowances	80.2	179.1	0.0	0.0	0.0
Associates & JV income	107.8	109.0	114.4	120.2	126.2
Pretax profit	2,587.3	2,721.2	2,786.0	2,908.7	3,060.8
Income tax	(585.9)	(620.3)	(626.9)	(654.5)	(688.7)
Minorities	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	2,001.2	2,100.8	2,159.1	2,255.2	2,374.0
Core net profit	2,001.2	2,100.8	2,159.1	2,254.2	2,372.0

BALANCE SHEET (MYR m)

Cash & deposits with banks	6,759.1	6,818.6	6,516.0	6,646.3	6,779.2
Sec. under resale agreements	0.0	0.0	0.0	0.0	0.0
Derivatives financial assets	652.2	1,008.4	1,058.8	1,111.8	1,167.4
Dealing securities	7,818.4	8,044.6	8,205.5	8,369.6	8,537.0
Available-for-sale securities	25,447.8	28,782.9	29,070.7	30,524.2	32,050.4
Investment securities	12,041.3	10,918.6	11,027.7	11,579.1	12,158.1
Loans & advances	137,130.1	145,091.7	151,110.4	158,021.8	165,290.8
Central bank deposits	2,774.4	1,723.7	2,289.1	2,380.7	2,476.0
Investment in associates/JVs	1,478.9	1,399.2	1,481.6	1,568.1	1,659.0
Insurance assets	0.0	0.0	0.0	0.0	0.0
Fixed assets	268.2	478.2	502.1	527.2	553.6
Intangible assets	458.7	478.6	478.6	478.6	478.6
Other assets	4,214.4	2,964.3	3,025.9	3,080.5	3,136.2
Total assets	199,043.6	207,708.7	214,766.3	224,287.9	234,286.2
Deposits from customers	141,559.5	149,057.4	152,880.1	158,995.3	165,355.1
Deposits from banks & FIs	7,579.3	6,119.5	6,241.9	6,366.7	6,494.0
Derivatives financial instruments	0.0	0.0	0.0	0.0	0.0
Subordinated debt	0.0	0.0	0.0	0.0	0.0
Other securities in issue	0.0	0.0	0.0	0.0	0.0
Other borrowings	16,901.6	15,980.7	16,629.4	17,348.0	18,143.5
Insurance liabilities	0.0	0.0	0.0	0.0	0.0
Other liabilities	12,381.4	14,926.1	16,090.7	17,684.9	19,366.2
Total liabilities	178,421.9	186,083.7	191,842.1	200,394.9	209,358.9
Share capital	6,376.2	6,376.2	6,376.2	6,376.2	6,376.2
Reserves	14,244.6	15,247.9	16,547.1	17,515.8	18,550.0
Shareholders' funds	20,620.8	21,624.2	22,923.3	23,892.0	24,926.2
Preference shares	0.0	0.0	0.0	0.0	0.0
Minority interest	0.9	0.8	0.9	1.0	1.1
Total equity	20,621.7	21,625.0	22,924.2	23,893.0	24,927.3
Total liabilities & equity	199,043.6	207,708.7	214,766.3	224,287.9	234,286.2

FYE 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Key Ratios					
Growth (%)					
Net interest income	10.4	3.8	3.0	1.7	3.4
Non-interest income	0.9	4.0	13.0	4.0	2.4
Operating expenses	7.1	4.8	3.7	3.7	3.7
Pre-provision profit	4.8	4.7	9.3	4.4	5.2
Core net profit	15.5	5.0	2.8	4.4	5.2
Gross loans	3.5	5.6	4.5	4.6	4.6
Customer deposits	(0.6)	5.3	2.6	4.0	4.0
Total assets	1.2	4.4	3.4	4.4	4.5
Profitability (%)					
Non-int. income/Total income	23.1	22.9	24.3	24.2	23.7
Average lending yields	3.99	3.85	3.86	3.87	3.87
Average cost of funds	2.94	2.72	2.58	2.43	2.43
Net interest margin	1.94	1.98	1.99	1.99	2.00
Cost/income	45.6	45.6	44.3	44.1	43.8
Liquidity (%)					
Loans/customer deposits	96.9	97.3	98.8	99.4	100.0
Asset quality (%)					
Net NPL	1.2	1.2	1.3	1.4	1.4
Gross NPL	1.5	1.6	1.7	1.8	1.8
(SP+GP)/average gross loans	0.2	0.2	0.2	0.2	0.2
Loan loss coverage	82.2	68.4	83.6	80.3	80.3
Capital adequacy (%)					
CET1	14.8	15.1	14.6	14.2	14.3
Tier 1 capital	14.8	15.1	14.6	14.2	14.3
Risk-weighted capital	17.5	17.5	17.2	17.1	17.5
Returns (%)					
ROAE	10.0	9.9	9.7	9.6	9.7
ROAA	1.0	1.0	1.0	1.0	1.0
Shareholders equity/assets	10.4	10.4	10.7	10.7	10.6

Source: Company; Maybank IBG Research

Aquawalk Group (AQUAWALK MK)

Tourism proxy

Not Rated

Share Price

MYR 0.18

Rising visibility with expansion plans

Aquawalk is a regional developer and operator of public aquariums with established attraction, namely Aquaria KLCC, in Kuala Lumpur, complemented by the same in Phuket and Jakarta. 80% of its revenues are derived from ticket sales giving it direct exposure to tourism. General outlook appears positive riding on regional tourism trends and domestic visitors. Aquawalk also has plans to expand into East Java, Indonesia and Kota Kinabalu, Sabah. Aquawalk was listed on Bursa Malaysia in Nov 2025.

On earnings trajectory

Discussion at meetings were mainly on Aquawalk's business traction with revenue improvements while maintaining gross profit margins of 55-60% and net profit margins of >30%. Management highlighted that Aquaria KLCC remains its key revenue driver given its locality in the city centre with diverse visitor base. Malaysia's visitor trends tend to be stronger during school holidays and festivities. Phuket's operations were slower due to weaker tourist arrivals following reduced travel flows from ongoing geopolitical tensions, but Malaysia visitor trends are relatively resilient.

Expansion plans in Sabah and Indonesia

Management sounded positive as its operations are likely supported by a combination of rising tourism arrivals, ticket price increases and visible expansion in the pipeline. Management indicated that ticket prices are typically revised every three years or when there are meaningful enhancements; the new Penguin exhibit could see some ticket price increase in 2027. Aquawalk is developing two new aquariums in East Java, Indonesia and Kota Kinabalu, Sabah, to which, management stated that these could expand earnings base from 2027.

Trading at 9x/8x FY26/27E consensus P/E

Aquawalk is currently trading at 8.8/8.0x FY26E/27E consensus P/E. Bloomberg consensus estimates an FY26E net profit of MYR37.0m. There is currently only one broker covering the stock, with a BUY recommendation and a target price of MYR0.27. Aquawalk was listed on Bursa Malaysia in Nov 2025.

FYE Dec (MYRm)	FY24A	FY25A
Revenue	103.2	111.7
EBITDA	58.3	64.4
Core net profit	36.2	36.2
Core EPS (sen)	2.7	2.0
Core EPS growth (%)	-	(23.8)
Net DPS (sen)	4.58	1.00
Core P/E (x)	6.6	8.7
P/BV (x)	3.8	1.4
Net dividend yield (%)	26.2	5.7
ROAE (%)	42.7	22.8
ROAA (%)	18.6	12.7
EV/EBITDA (x)	6.9	6.3
Net gearing (%) (incl perps)	45.1	Net cash

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Company Description

Aquawalk Group Bhd. is a investment holding company whose subsidiaries develops, operates and maintains aquaria.

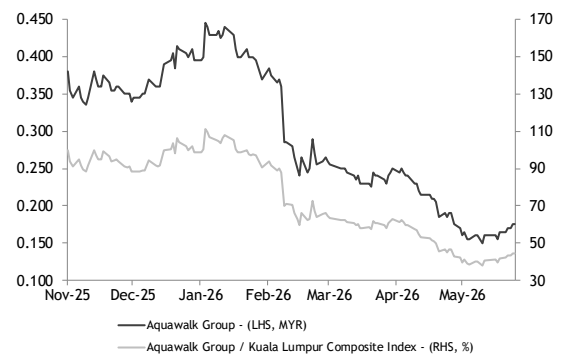
Statistics

52w high/low (MYR)	na/na
3m avg turnover (USDm)	0.3
Free float (%)	43.2
Issued shares (m)	1,843
Market capitalisation	MYR322.5M USD79M

Major shareholders:

Vestmap (M) Sdn. Bhd.	41.2%
Norges Bank Investment Management	6.0%
FELIZ NATUR SDN. BHD.	5.3%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(5)	(35)	na
Relative to index (%)	(2)	(34)	na

Source: FactSet

Axiata Group (AXIATA MK)

Awaiting monetisation

Monetisation plans on track

Axiata's efforts to monetise its infrastructure assets remain on track, with regulatory consent, valuation and payment structure still being worked on. Management's dividend commitment (>10% CAGR in DPS) is sustainable and not contingent on the monetization of its infrastructure assets. We continue to view Axiata's longer-term earnings recovery and balance sheet repair as potential re-rating catalysts. Maintain BUY with an unchanged SOP-based TP of MYR2.90, with Axiata currently yielding c.5.5%.

Dividend commitment is sustainable

Discussions centred around Axiata's monetization efforts and dividend sustainability. Recall Axiata has previously signaled the possible monetization of its infrastructure assets - edotco and Linknet in 2026. Management noted that both transactions remain on track, with regulatory consent, valuation and payment structure still being worked on presently. Separately, management notes its dividend commitment (>10% CAGR in DPS) is sustainable and not contingent on the monetization of its infrastructure assets. Most op-cos are already upstreaming dividends, and Its Cambodia subsidiary Smart is also in a net cash position.

Earnings recovery coupled with an attractive yield

We expect earnings growth to continue in the coming years, driven by operational improvements and realization of merger synergies at Axiata's op-cos (including associates). Axiata's FY26E earnings are presently being dragged by a strong Ringgit, but management has committed to a >10% CAGR in DPS (from 10sen in FY25) going forward. We view Axiata's long-term earnings recovery and balance sheet repair as potential re-rating catalysts.

Maintain BUY with an unchanged MYR2.90 TP

We derive our MYR2.90 TP from a sum-of-parts, with the operating entities each valued by DCF. We assume a 1.0sen progressive increase in DPS going forward. Our TP implies 34.6x P/E and 3.8% net yield in FY26E, and 17.6x P/E and 4.1% net yield in FY27E.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	22,335	15,359	11,523	11,942	12,380
EBITDA	11,129	6,934	5,756	5,949	6,149
Core net profit	694	487	770	1,511	1,874
Core EPS (sen)	7.6	5.3	8.4	16.4	20.4
Core EPS growth (%)	28.0	(29.9)	58.1	96.2	24.1
Net DPS (sen)	10.0	10.0	11.0	12.0	13.0
Core P/E (x)	32.9	47.5	22.2	11.3	9.1
P/BV (x)	1.1	1.1	0.8	0.8	0.8
Net dividend yield (%)	4.0	4.0	5.9	6.5	7.0
ROAE (%)	4.4	1.8	3.8	7.4	9.0
ROAA (%)	0.9	0.8	1.6	3.1	3.9
EV/EBITDA (x)	5.3	5.8	5.9	5.6	5.3
Net gearing (%) (incl perps)	106.5	54.5	54.7	52.2	47.6
Consensus net profit	-	-	759	935	1,088
MIBG vs. Consensus (%)	-	-	1.5	61.6	72.2

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BUY

Share Price	MYR 1.86
12m Price Target	MYR 2.90 (+61%)
Previous Price Target	MYR 2.90

Company Description

Axiata Group owns a portfolio of mobile telcos, network infrastructure and digital internet companies in 10 countries across Asia.

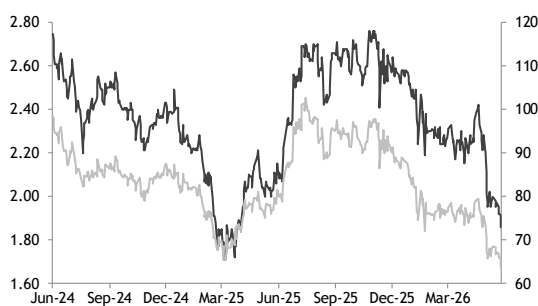
Statistics

52w high/low (MYR)	2.76/1.86
3m avg turnover (USDm)	7.8
Free float (%)	42.2
Issued shares (m)	9,185
Market capitalisation	MYR17.1B USD4.2B

Major shareholders:

Khazanah Nasional Bhd. (Investment Compa	36.4%
Employees Provident Fund	19.4%
Permodalan Nasional Bhd.	16.8%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(18)	(18)	(11)
Relative to index (%)	(14)	(17)	(20)

Source: FactSet

Link to latest report:

[Axiata Group \(AXIATA MK\) - A commendable start](#)

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	24.8	58.9	22.2	11.3	9.1
Core P/E (x)	32.9	47.5	22.2	11.3	9.1
P/BV (x)	1.1	1.1	0.8	0.8	0.8
P/NTA (x)	(56.3)	1.7	1.3	1.3	1.2
Net dividend yield (%)	4.0	4.0	5.9	6.5	7.0
FCF yield (%)	28.7	17.6	15.3	19.9	22.7
EV/EBITDA (x)	5.3	5.8	5.9	5.6	5.3
EV/EBIT (x)	14.8	14.4	13.8	12.9	12.0
INCOME STATEMENT (MYR m)					
Revenue	22,334.6	15,359.0	11,522.5	11,942.2	12,380.5
EBITDA	11,129.2	6,933.8	5,756.1	5,948.6	6,149.0
Depreciation	(7,163.8)	(4,161.2)	(3,300.4)	(3,356.0)	(3,411.5)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	3,965.5	2,772.6	2,455.7	2,592.6	2,737.5
Net interest income / (exp)	(2,079.4)	(1,293.6)	(933.0)	(918.3)	(889.6)
Associates & JV	450.9	67.9	349.2	1,007.3	1,270.4
Exceptionals	227.5	(226.3)	(123.1)	(123.1)	(123.1)
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	2,564.5	1,320.6	1,748.8	2,558.4	2,995.2
Income tax	(965.6)	(689.0)	(562.3)	(594.1)	(627.7)
Minorities	(652.0)	(267.0)	(416.4)	(453.5)	(493.4)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	946.8	364.6	770.1	1,510.7	1,874.1
Core net profit	694.0	487.0	770.1	1,510.7	1,874.1
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	4,860.4	3,746.8	3,491.0	3,568.1	4,044.4
Accounts receivable	5,349.5	3,590.4	2,651.8	2,748.3	2,849.2
Inventory	122.7	71.8	49.7	51.2	52.8
Property, Plant & Equip (net)	25,521.6	14,457.1	14,405.3	14,310.2	14,171.5
Intangible assets	21,599.2	6,806.0	6,926.0	7,037.9	7,142.3
Investment in Associates & JVs	15,551.3	19,842.9	19,052.7	19,148.5	19,176.6
Other assets	1,351.2	1,253.3	1,253.3	1,253.3	1,253.3
Total assets	74,355.9	49,768.4	47,829.8	48,117.6	48,690.2
ST interest bearing debt	6,515.9	6,981.2	6,831.2	6,681.2	6,531.2
Accounts payable	8,979.9	5,905.5	4,471.3	4,610.8	4,755.5
LT interest bearing debt	27,710.1	9,873.4	9,723.4	9,573.4	9,423.4
Other liabilities	3,573.0	2,940.0	2,940.0	2,940.0	2,940.0
Total Liabilities	46,779.2	25,700.0	23,965.7	23,805.2	23,649.9
Shareholders Equity	21,193.2	20,357.3	20,117.0	20,525.5	21,205.5
Minority Interest	6,383.5	3,711.1	3,747.1	3,787.0	3,834.8
Total shareholder equity	27,576.7	24,068.4	23,864.1	24,312.5	25,040.3
Total liabilities and equity	74,355.9	49,768.4	47,829.8	48,117.6	48,690.2
CASH FLOW (MYR m)					
Pretax profit	2,564.5	1,320.6	1,748.8	2,558.4	2,995.2
Depreciation & amortisation	7,163.8	4,161.2	3,300.4	3,356.0	3,411.5
Adj net interest (income)/exp	2,079.4	1,293.6	933.0	918.3	889.6
Change in working capital	(782.1)	(1,264.5)	(473.4)	41.3	42.2
Cash taxes paid	(639.6)	(662.7)	(562.3)	(594.1)	(627.7)
Other operating cash flow	1,221.8	1,244.6	460.2	(95.8)	(28.2)
Cash flow from operations	11,607.7	6,092.7	5,406.7	6,184.1	6,682.6
Capex	(5,043.2)	(2,028.3)	(2,787.7)	(2,791.9)	(2,796.2)
Free cash flow	6,564.6	4,064.4	2,619.0	3,392.3	3,886.5
Dividends paid	(918.2)	(918.6)	(1,010.4)	(1,102.2)	(1,194.1)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(446.3)	(2,139.3)	(300.0)	(300.0)	(300.0)
Other invest/financing cash flow	(4,761.4)	(1,465.6)	(1,564.4)	(1,912.9)	(1,916.1)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	438.7	(459.2)	(255.8)	77.1	476.3

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	(4.9)	(31.2)	(25.0)	3.6	3.7
EBITDA growth	5.4	(37.7)	(17.0)	3.3	3.4
EBIT growth	35.2	(30.1)	(11.4)	5.6	5.6
Pretax growth	nm	(48.5)	32.4	46.3	17.1
Reported net profit growth	nm	(61.5)	111.2	96.2	24.0
Core net profit growth	28.0	(29.8)	58.1	96.2	24.0
Profitability ratios (%)					
EBITDA margin	49.8	45.1	50.0	49.8	49.7
EBIT margin	17.8	18.1	21.3	21.7	22.1
Pretax profit margin	11.5	8.6	15.2	21.4	24.2
Payout ratio	97.0	nm	131.2	73.0	63.7
DuPont analysis					
Net profit margin (%)	4.2	2.4	6.7	12.7	15.1
Revenue/Assets (x)	0.3	0.3	0.2	0.2	0.3
Assets/Equity (x)	3.5	2.4	2.4	2.3	2.3
ROAE (%)	4.4	1.8	3.8	7.4	9.0
ROAA (%)	0.9	0.8	1.6	3.1	3.9
Liquidity & Efficiency					
Cash conversion cycle	nm	nm	nm	nm	nm
Days receivable outstanding	81.9	104.8	97.5	81.4	81.4
Days inventory outstanding	nm	nm	nm	nm	nm
Days payables outstanding	nm	nm	nm	nm	nm
Dividend cover (x)	1.0	0.4	0.8	1.4	1.6
Current ratio (x)	0.6	0.5	0.5	0.5	0.6
Leverage & Expense Analysis					
Asset/Liability (x)	1.6	1.9	2.0	2.0	2.1
Net gearing (%) (incl perps)	106.5	54.5	54.7	52.2	47.6
Net gearing (%) (excl. perps)	106.5	54.5	54.7	52.2	47.6
Net interest cover (x)	1.9	2.1	2.6	2.8	3.1
Debt/EBITDA (x)	3.1	2.4	2.9	2.7	2.6
Capex/revenue (%)	22.6	13.2	24.2	23.4	22.6
Net debt/ (net cash)	29,365.5	13,107.8	13,063.6	12,686.5	11,910.2

Source: Company; Maybank IBG Research

Axis REIT (AXRB MK)

Growth pipeline remains intact

Visible acquisition pipeline primed for growth

Axis REIT's growth remains supported by a visible acquisition pipeline, ongoing developments and resilient industrial fundamentals. Management highlighted MYR312m of acquisition opportunities under negotiation, while leasing demand across its industrial and logistics portfolio remains healthy. We continue to favour Axis REIT for its strong rental reversion potential, healthy tenant demand and multiple growth avenues. Maintain BUY with DDM-TP of MYR2.30

Developments and acquisitions on track

Management highlighted updates on several growth initiatives, including the development of a 180k sq. ft. manufacturing facility in Bukit Raja and a 74k sq. ft. logistics warehouse in Pasir Gudang. It also introduced its first forward-acquisition structure in Senai, Johor, which reduces development risk by acquiring the asset only upon completion and tenant acceptance. Management may replicate this model going forward. Separately, it remains positive on industrial demand, supported by China+1 supply chain diversification and Malaysia's favourable geopolitical positioning.

Occupancy remains resilient

Axis REIT's portfolio occupancy remains healthy at 94%, while ongoing developments in Bukit Raja and Pasir Gudang are expected to provide incremental earnings contributions upon completion. Management noted that industrial cap rates remain relatively stable at 6.0-6.5%, while rising construction costs could support future asset valuations. With gearing at 34%, Axis REIT retains sufficient debt headroom to fund its acquisition pipeline and development projects. Assuming full execution of the current pipeline and developments, we estimate gearing would increase to c.39%.

Maintain BUY

We maintain our BUY call and DDM-TP of MYR2.30, supported by Axis REIT's strong acquisition execution track record, diversified industrial portfolio and disciplined capital management. The loss of rental income arising from the fire incident at Wisma Kemajuan since February 2026 is expected to be mitigated by insurance coverage, pending confirmation from the insurer. While this resulted in a modest drag on 1Q26 earnings, we expect earnings to recover in the coming quarters.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	322	365	388	408	428
Net property income	277	316	334	352	368
Core net profit	162	203	218	230	240
Core EPU (sen)	8.6	10.1	10.8	11.4	11.8
Core EPU growth (%)	0.9	16.7	6.9	5.4	4.2
DPU (sen)	9.3	10.6	10.8	11.4	11.8
DPU growth (%)	7.2	13.8	2.3	5.4	4.2
P/NTA (x)	1.1	1.1	1.2	1.2	1.2
DPU yield (%)	5.4	5.5	5.5	5.8	6.1
ROAE (%)	6.9	8.4	6.4	6.7	7.0
ROAA (%)	3.3	3.8	4.0	4.1	4.2
Debt/Assets (x)	0.33	0.32	0.34	0.36	0.37
Consensus DPU	-	-	9.5	9.9	10.2
MIBG vs. Consensus (%)	-	-	13.6	14.6	16.0

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BUY

Share Price	MYR 1.95
12m Price Target	MYR 2.30 (+23%)
Previous Price Target	MYR 2.30

Company Description

Axis REIT operates as a real estate investment trust that owns and invests in commercial, office, and industrial real estate.

Statistics

52w high/low (MYR)	2.19/1.90
3m avg turnover (USDm)	1.1
Free float (%)	70.3
Issued shares (m)	2,025
Market capitalisation	MYR3.9B USD973M

Major shareholders:

Employees Provident Fund	19.7%
Kumpulan Wang Persaraan	7.7%
Lembaga Tabung Haji	6.4%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(3)	(4)	1
Relative to index (%)	1	(3)	(8)

Source: FactSet

Link to latest report:

[Axis REIT \(AXRB MK\) - Acquiring industrial complex in Shah Alam](#)

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
Price/DPU(x)	18.7	18.2	18.1	17.1	16.5
P/BV (x)	1.0	1.1	1.2	1.2	1.2
P/NTA (x)	1.1	1.1	1.2	1.2	1.2
DPU yield (%)	5.4	5.5	5.5	5.8	6.1
FCF yield (%)	9.4	6.1	7.6	7.9	8.4

INCOME STATEMENT (MYR m)

Revenue	322.2	365.0	387.9	408.5	427.6
Net property income	276.6	316.2	334.0	351.9	367.8
Management and trustee fees	(35.5)	(40.4)	(40.4)	(40.4)	(40.4)
Net financing costs	(72.8)	(68.8)	(73.5)	(79.5)	(85.8)
Associates & JV	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income/expenses	0.0	0.0	0.0	0.0	0.0
Pretax profit	212.5	284.6	220.1	232.0	241.7
Income tax	(2.5)	(2.6)	(2.0)	(2.0)	(2.2)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Net profit	210.0	282.1	218.1	229.9	239.5
Core net profit	162.2	203.3	218.1	229.9	239.5
Distributable inc to unitholders	165.6	213.2	218.4	230.3	239.8

BALANCE SHEET (MYR m)

Cash & Short Term Investments	120.7	77.9	73.6	64.5	56.6
Accounts receivable	22.9	40.2	42.7	45.0	47.1
Property, Plant & Equip (net)	0.0	0.0	0.0	0.0	0.0
Investment properties	5,090.8	5,237.0	5,392.9	5,553.1	5,717.8
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	24.1	1.1	1.1	1.1	1.1
Total assets	5,258.6	5,356.3	5,510.5	5,663.8	5,822.7
ST interest bearing debt	815.5	797.7	797.7	797.7	797.7
Accounts payable	116.9	97.3	107.6	112.9	119.2
LT interest bearing debt	934.9	935.8	1,080.0	1,228.5	1,381.5
Other liabilities	92.2	102.0	102.0	102.0	102.0
Total Liabilities	1,959.5	1,932.8	2,087.4	2,241.1	2,400.4
Shareholders Equity	3,299.1	3,423.5	3,423.1	3,422.7	3,422.3
Minority Interest	0.0	0.0	0.0	0.0	0.0
Total shareholder equity	3,299.1	3,423.5	3,423.1	3,422.7	3,422.3
Total liabilities and equity	5,258.6	5,356.3	5,510.5	5,663.8	5,822.7

CASH FLOW (MYR m)

Cash flow from operations	306.0	238.2	299.7	312.7	329.8
Capex	0.0	0.0	0.0	0.0	0.0
Acquisitions & investments	(779.3)	(59.9)	(156.2)	(160.5)	(165.0)
Disposal of FA & investments	156.6	23.9	0.0	0.0	0.0
Dividend income from associates	0.0	0.0	0.0	0.0	0.0
Other investing cash flow	1.5	(5.0)	0.5	0.5	0.4
CF from investing activities	(621.2)	(41.0)	(155.7)	(160.0)	(164.6)
Dividends paid	(181.7)	(183.2)	(218.5)	(230.3)	(239.9)
Interest expense	(73.2)	(70.2)	(74.0)	(80.0)	(86.2)
Change in debt	194.2	(18.1)	144.2	148.5	153.0
Equity raised / (purchased)	449.7	25.9	0.0	0.0	0.0
Other financial activities	(4.9)	(0.4)	0.0	0.0	0.0
CF from financing activities	384.1	(246.0)	(148.3)	(161.8)	(173.1)
Effect of exchange rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	69.0	(48.9)	(4.3)	(9.1)	(7.9)

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	11.7	13.3	6.3	5.3	4.7
Net property income growth	12.7	14.3	5.6	5.4	4.5
Core net profit growth	8.4	25.3	7.3	5.4	4.2
Distributable income growth	9.7	28.8	2.4	5.4	4.2
Profitability ratios (%)					
Net property income margin	85.9	86.6	86.1	86.1	86.0
Core net profit margin	50.3	55.7	56.2	56.3	56.0
Payout ratio	82.9	75.5	100.2	100.2	100.2
DuPont analysis					
Total return margin (%)	65.2	77.3	56.2	56.3	56.0
Gross revenue/Assets (x)	0.1	0.1	0.1	0.1	0.1
Assets/Equity (x)	1.6	1.6	1.6	1.7	1.7
ROAE (%)	6.9	8.4	6.4	6.7	7.0
ROAA (%)	3.3	3.8	4.0	4.1	4.2
Leverage & Expense Analysis					
Asset/Liability (x)	2.7	2.8	2.6	2.5	2.4
Net gearing (%) (excl. perps)	49.4	48.4	52.7	57.3	62.0
Net interest cover (x)	3.9	5.1	4.0	3.9	3.8
Debt/EBITDA (x)	6.1	4.9	6.4	6.5	6.6
Capex/revenue (%)	0.0	0.0	0.0	0.0	0.0
Net debt/ (net cash)	1,629.8	1,655.6	1,804.1	1,961.7	2,122.6
Debt/Assets (x)	0.33	0.32	0.34	0.36	0.37

Source: Company; Maybank IBG Research

Bursa Malaysia (BURSA MK)

Riding on robust market activity

Robust trading activity and product expansion plans

At “Invest Malaysia 2026 - Corporate Day”, Bursa’s management, led by CFO, En Azizan bin Abd Aziz, outlined initiatives to strengthen Bursa’s core businesses and expand product offerings. Despite robust trading activity, Bursa is maintaining its (conservative) headline KPIs for 2026. Meanwhile, Bursa is developing its next 3-year strategic roadmap, which will be unveiled in early 2027. We reiterate our BUY call on the stock with an unchanged target price of MYR9.50.

Strengthening core businesses

Amid a robust equity market, Bursa has continued to strengthen its core equity business with several YTD initiatives: launch of the Bursa Malaysia Quality 50 Index and Quality 50 Shariah Index (12 Jan), and HKEX Bursa Malaysia Large Cap Index (27 Mar); and consultation papers on proposed rule amendments to facilitate the listing and trading of digital currency ETFs, and proposed enhancements to the FBMKLCI and FBM70. In the derivatives business, Bursa introduced the Mini FTSE Bursa Malaysia KLCI Futures (FKLM) on 26 Jan, further broadening its product suite. There were also discussions on MY Value Up with its guidebook launched on 9 Jun 2026.

Maintaining KPIs; 3-year roadmap

Bursa is maintaining its headline KPIs for 2026: 1) ROE of 27-30% (1Q26: 37%); 2) non-trading revenue growth of >10% YoY (1Q26: +19% YoY); 3) IPO market cap target of MYR28b (YTD: MYR25b). The upper ROE KPI range of 30% implies flattish earnings vs. our 33% ROE est. Based on 5M26 trading activity (equity ADV: MYR3.5b, +34% YoY; derivatives vol.: 10.6m, +9% YoY), we view Bursa’s ROE KPI as conservative. Meanwhile, Bursa is developing its “Strategic Roadmap 2027-2029”, to be unveiled in early 2027.

Transformation as further re-rating catalyst

We value Bursa on 29x FY26E PER, +1.5SD to 10Y mean, reflecting earnings upside from robust trading activity. Key assumptions are FY26E equity ADV of MYR3.2b (FY25: MYR2.8b), derivative vol. growth of 5% YoY (FY25: +2%), and non-trading revenue growth of 19% YoY (FY25: +5%). Bursa’s transformation into a multi-asset exchange will broaden its earnings base and serve as a further re-rating catalyst.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	784	728	816	859	903
EBITDA	446	374	400	420	439
Core net profit	310	250	267	279	291
Core EPS (sen)	38.3	30.9	33.0	34.5	36.0
Core EPS growth (%)	22.9	(19.3)	6.6	4.6	4.4
Net DPS (sen)	44.0	28.0	29.5	31.0	32.5
Core P/E (x)	23.4	27.2	26.3	25.1	24.1
P/BV (x)	8.3	8.5	8.4	8.1	7.8
Net dividend yield (%)	4.9	3.3	3.4	3.6	3.8
ROAE (%)	36.6	29.9	32.6	32.8	32.9
ROAA (%)	8.1	6.6	7.9	7.6	7.6
EV/EBITDA (x)	15.1	17.1	16.5	15.6	14.9
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	289	299	303
MIBG vs. Consensus (%)	-	-	(7.8)	(6.8)	(3.7)

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BUY

Share Price	MYR 8.66
12m Price Target	MYR 9.50 (+13%)
Previous Price Target	MYR 9.50

Company Description

Bursa is an exchange holding company.

Statistics

52w high/low (MYR)	9.11/7.49
3m avg turnover (USDm)	1.6
Free float (%)	64.3
Issued shares (m)	809
Market capitalisation	MYR7.0B USD1.7B

Major shareholders:

Capital Market Development Fund	18.6%
Employees Provident Fund	15.0%
Kumpulan Wang Persaraan	11.2%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(2)	(5)	15
Relative to index (%)	2	(3)	4

Source: FactSet

Link to latest report:

[Bursa Malaysia \(BURSA MK\) - 1Q26: Positively surprised](#)

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	22.3	25.7	26.3	25.1	24.1
Core P/E (x)	23.4	27.2	26.3	25.1	24.1
P/BV (x)	8.3	8.5	8.4	8.1	7.8
P/NTA (x)	8.7	9.0	8.9	8.5	8.2
Net dividend yield (%)	4.9	3.3	3.4	3.6	3.8
FCF yield (%)	4.9	3.3	3.8	3.9	4.1
EV/EBITDA (x)	15.1	17.1	16.5	15.6	14.9
EV/EBIT (x)	16.4	19.0	18.3	17.4	16.6
INCOME STATEMENT (MYR m)					
Revenue	784.3	727.7	816.2	859.1	903.2
EBITDA	446.3	374.4	399.9	419.6	439.4
Depreciation	(35.4)	(36.7)	(39.7)	(42.7)	(45.7)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	410.9	337.6	360.1	376.9	393.6
Net interest income / (exp)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Associates & JV	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	410.4	337.1	359.6	376.3	393.1
Income tax	(101.7)	(89.1)	(95.1)	(99.5)	(103.9)
Minorities	1.5	2.2	2.2	2.2	2.2
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	310.1	250.2	266.7	279.0	291.4
Core net profit	310.1	250.2	266.7	279.0	291.4
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	496.2	404.4	424.4	442.7	464.3
Accounts receivable	88.1	88.9	99.7	105.0	110.4
Inventory	3.6	5.3	5.3	5.3	5.3
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	187.4	185.6	205.8	223.1	237.3
Intangible assets	44.7	43.3	43.3	43.3	43.3
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	3,535.5	2,497.0	2,785.8	2,928.2	3,074.4
Total assets	4,355.4	3,224.5	3,564.4	3,747.6	3,934.9
ST interest bearing debt	0.0	0.0	0.0	0.0	0.0
Accounts payable	3,377.1	2,326.5	2,633.9	2,784.2	2,938.4
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	0.0	0.0	0.0	0.0	0.0
Other liabilities	102.0	98.0	98.0	99.0	100.0
Total Liabilities	3,479.1	2,424.1	2,732.1	2,883.3	3,038.5
Shareholders Equity	873.8	800.1	834.2	868.4	902.8
Minority Interest	2.5	0.3	(1.9)	(4.1)	(6.4)
Total shareholder equity	876.3	800.4	832.2	864.2	896.4
Total liabilities and equity	4,355.4	3,224.5	3,564.4	3,747.6	3,934.9
CASH FLOW (MYR m)					
Pretax profit	410.4	337.1	359.6	376.3	393.1
Depreciation & amortisation	35.4	36.7	39.7	42.7	45.7
Adj net interest (income)/exp	0.0	0.0	0.0	0.0	0.0
Change in working capital	6.0	(6.4)	9.9	4.8	4.9
Cash taxes paid	(66.5)	(105.8)	(88.5)	(94.2)	(98.6)
Other operating cash flow	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	385.3	261.7	320.8	329.7	345.2
Capex	(26.5)	(33.6)	(57.0)	(57.0)	(57.0)
Free cash flow	358.8	228.0	263.8	272.7	288.2
Dividends paid	(259.0)	(323.7)	(232.7)	(244.8)	(257.0)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	0.0	0.0	0.0	0.0	0.0
Other invest/financing cash flow	(27.5)	3.9	(11.1)	(9.6)	(9.7)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	72.3	(91.8)	20.0	18.3	21.6

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	27.2	(7.2)	12.2	5.3	5.1
EBITDA growth	25.6	(16.1)	6.8	4.9	4.7
EBIT growth	27.6	(17.8)	6.7	4.7	4.5
Pretax growth	27.7	(17.9)	6.7	4.7	4.5
Reported net profit growth	22.9	(19.3)	6.6	4.6	4.4
Core net profit growth	22.9	(19.3)	6.6	4.6	4.4
Profitability ratios (%)					
EBITDA margin	56.9	51.4	49.0	48.8	48.6
EBIT margin	52.4	46.4	44.1	43.9	43.6
Pretax profit margin	52.3	46.3	44.1	43.8	43.5
Payout ratio	114.8	90.6	89.5	89.9	90.3
DuPont analysis					
Net profit margin (%)	39.5	34.4	32.7	32.5	32.3
Revenue/Assets (x)	0.2	0.2	0.2	0.2	0.2
Assets/Equity (x)	5.0	4.0	4.3	4.3	4.4
ROAE (%)	36.6	29.9	32.6	32.8	32.9
ROAA (%)	8.1	6.6	7.9	7.6	7.6
Liquidity & Efficiency					
Cash conversion cycle	nm	nm	nm	nm	nm
Days receivable outstanding	37.5	43.8	41.6	42.9	42.9
Days inventory outstanding	3.5	4.5	4.6	4.3	4.1
Days payables outstanding	nm	nm	nm	nm	nm
Dividend cover (x)	0.9	1.1	1.1	1.1	1.1
Current ratio (x)	1.2	1.2	1.2	1.2	1.2
Leverage & Expense Analysis					
Asset/Liability (x)	1.3	1.3	1.3	1.3	1.3
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	nm	nm	nm	nm	nm
Debt/EBITDA (x)	0.0	0.0	0.0	0.0	0.0
Capex/revenue (%)	3.4	4.6	7.0	6.6	6.3
Net debt/ (net cash)	(496.2)	(404.4)	(424.4)	(442.7)	(464.3)

Source: Company; Maybank IBG Research

CIMB Group Holdings (CIMB MK)

Robust capital management programme

Capital returns and regional operational prospects

CIMB Group's FY26 ROE target of 11-11.5% is within reach, in our view, and compares against our forecast of 11.4%. There is still -MYR1.7b of capital to be distributed under its capital return programme (-12sen/share for which we have factored in 6sen in FY26/27E respectively) and from excess capital at CIMB Thai (-4sen, which we have yet to factor into our DPS forecast). With ongoing headwinds in Indonesia, we maintain our HOLD call and TP of MYR8.40.

Managing headwinds in Indonesia

Niaga has scaled back on SME (<15% of its loan book) and unsecured lending, while pivoting more towards mortgages and auto loans. There is greater emphasis on the mass affluent segment through deposits, AUM and structured product offerings to deepen fee income and improve capital efficiency. In Indonesia, rate hikes are temporarily negative on NIMs but with a slight uplift over a 12-month period. The bank has until Mar 2027 to improve its free float to 12.5% (from 8.5%) and to 15% by Mar 2028.

Singapore as an engine of growth

Singapore today accounts for ~14% of group pretax and generates mid-teens BAU ROEs. Its NIM currently stands at ~1.2%, while its cost/income ratio is close to that of the group. The focus will be on NOI growth from its treasury, markets and wealth (e.g. bancassurance, for which it has 7 partners in Singapore) operations. It intends to leverage further on Malaysia-Singapore money flows and its ASEAN corporate relationships.

Comfortable with FY26 ROE target of 11-11.5%

Overall, mortgage and corporate loan demand remains strong, while there has been a tapering off of business banking & SME loans. At present, there is no noticeable trend to asset quality and the group's 25-35bps credit cost guidance still stands. Management is comfortable with its 11-11.5% ROE target for FY26 and 12-13% target for FY27. We maintain our TP of MYR8.40 (FY26E P/BV of 1.3x, COE: 9.9%, g: 4%, ROE: 11.4%).

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Operating income	22,301	22,467	23,013	24,072	25,300
Pre-provision profit	11,881	11,840	12,182	12,964	13,904
Core net profit	7,728	7,860	8,117	8,733	9,391
Core EPS (MYR)	0.72	0.73	0.76	0.81	0.88
Core EPS growth (%)	10.1	1.7	3.3	7.6	7.5
Net DPS (MYR)	0.47	0.47	0.48	0.51	0.48
Core P/E (x)	11.4	11.3	9.8	9.1	8.4
P/BV (x)	1.3	1.3	1.1	1.1	1.0
Net dividend yield (%)	5.7	5.7	6.5	6.9	6.5
Book value (MYR)	6.45	6.52	6.71	7.03	7.38
ROAE (%)	11.2	11.3	11.4	11.8	12.1
ROAA (%)	1.0	1.0	1.0	1.1	1.1
Consensus net profit	-	-	8,106	8,607	9,154
MIBG vs. Consensus (%)	-	-	0.1	1.5	2.6

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HOLD

Share Price	MYR 7.39
12m Price Target	MYR 8.40 (+20%)
Previous Price Target	MYR 8.40

Company Description

CIMB Group Holdings engages in the provision of consumer and investment banking services. It holds a majority stake in PT CIMB Niaga.

Statistics

52w high/low (MYR)	8.95/6.50
3m avg turnover (USDm)	31.9
Free float (%)	59.9
Issued shares (m)	10,803
Market capitalisation	MYR79.8B USD19.7B

Major shareholders:

Khazanah Nasional Bhd. (Investment Compa	21.4%
Employees Provident Fund	17.5%
Kumpulan Wang Persaraan	6.4%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(6)	(8)	7
Relative to index (%)	(3)	(6)	(3)

Source: FactSet

Link to latest report:

[CIMB Group Holdings \(CIMB MK\) -1Q26 results marginally below expectations](#)

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
Core P/E (x)	11.4	11.3	9.8	9.1	8.4
Core FD P/E (x)	11.4	11.3	9.8	9.1	8.4
P/BV (x)	1.3	1.3	1.1	1.1	1.0
P/NTA (x)	1.4	1.4	1.2	1.2	1.1
Net dividend yield (%)	5.7	5.7	6.5	6.9	6.5
INCOME STATEMENT (MYR m)					
Interest income	26,627.1	25,088.9	27,857.7	28,579.8	29,617.9
Interest expense	(15,263.2)	(13,825.7)	(16,713.7)	(16,896.0)	(17,516.6)
Net interest income	11,363.9	11,263.2	11,143.9	11,683.8	12,101.3
Islamic banking income	4,740.6	4,958.8	5,355.5	5,783.9	6,246.6
Net insurance income	0.0	0.0	0.0	0.0	0.0
Net fees and commission	2,349.1	2,380.2	2,499.2	2,624.1	2,755.3
Other income	3,847.6	3,865.3	4,014.2	3,979.9	4,196.7
Total non-interest income	6,196.7	6,245.5	6,513.4	6,604.1	6,952.0
Operating income	22,301.2	22,467.4	23,012.8	24,071.8	25,300.0
Staff costs	(6,347.5)	(6,343.7)	(6,470.5)	(6,664.7)	(6,864.6)
Other operating expenses	(4,072.8)	(4,283.3)	(4,360.2)	(4,442.8)	(4,531.1)
Operating expenses	(10,420.2)	(10,626.9)	(10,830.8)	(11,107.4)	(11,395.7)
Pre-provision profit	11,880.9	11,840.5	12,182.1	12,964.3	13,904.2
Loan impairment allowances	(1,368.8)	(1,382.3)	(1,293.6)	(1,252.3)	(1,308.7)
Other allowances	(135.0)	128.3	0.0	0.0	0.0
Associates & JV income	18.8	93.6	9.9	12.9	13.3
Pretax profit	10,395.9	10,680.0	10,898.3	11,724.9	12,608.9
Income tax	(2,476.5)	(2,651.6)	(2,615.6)	(2,814.0)	(3,026.1)
Minorities	(191.3)	(168.9)	(165.7)	(178.2)	(191.7)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	7,728.0	7,859.6	8,117.1	8,732.7	9,391.1
Core net profit	7,728.0	7,859.6	8,117.1	8,732.7	9,391.1
BALANCE SHEET (MYR m)					
Cash & deposits with banks	34,776.4	32,842.1	33,170.5	33,502.2	33,837.2
Sec. under resale agreements	10,882.5	14,205.7	14,916.0	15,661.8	16,444.9
Derivatives financial assets	15,022.1	15,265.6	15,418.2	15,572.4	15,728.1
Dealing securities	52,683.1	64,700.5	65,347.5	66,001.0	66,661.0
Available-for-sale securities	157,938.1	166,059.0	169,380.1	174,461.5	188,418.5
Investment securities	0.0	0.0	0.0	0.0	0.0
Loans & advances	442,163.5	444,920.4	459,971.5	480,670.2	502,300.4
Central bank deposits	10,647.3	8,216.9	7,504.8	7,737.1	8,105.5
Investment in associates/JVs	2,335.0	2,380.5	2,386.2	2,392.2	2,398.7
Insurance assets	0.0	0.0	0.0	0.0	0.0
Fixed assets	2,561.7	2,567.5	2,695.9	2,830.7	2,972.2
Intangible assets	8,297.3	8,059.3	8,059.3	8,059.3	8,059.3
Other assets	17,823.7	19,507.0	19,864.2	20,228.7	20,600.4
Total assets	755,130.7	778,724.4	798,714.2	827,117.1	865,526.2
Deposits from customers	496,394.2	510,047.1	516,821.9	531,127.3	555,028.0
Deposits from banks & FIs	45,444.6	49,907.6	52,402.9	55,023.1	57,774.2
Derivatives financial instruments	14,423.8	15,691.6	15,848.5	16,007.0	16,167.1
Subordinated debt	11,303.9	12,291.2	12,291.2	12,291.2	12,291.2
Other securities in issue	14,412.2	17,119.2	17,119.2	17,119.2	17,119.2
Other borrowings	58,785.9	55,941.2	60,481.3	65,454.3	70,903.1
Insurance liabilities	0.0	0.0	0.0	0.0	0.0
Other liabilities	43,527.3	45,818.7	49,271.7	51,988.7	54,364.2
Total liabilities	684,291.8	706,816.6	724,236.7	749,010.8	783,647.1
Share capital	29,439.3	29,774.0	29,774.0	29,774.0	29,774.0
Reserves	39,804.5	40,587.1	42,704.8	46,159.1	49,931.9
Shareholders' funds	69,243.8	70,361.1	72,478.8	75,933.1	79,705.9
Preference shares	200.0	200.0	200.0	200.0	200.0
Minority interest	1,395.1	1,346.7	1,798.7	1,973.2	1,973.2
Total equity	70,838.9	71,907.8	74,477.5	78,106.3	81,879.1
Total liabilities & equity	755,130.7	778,724.4	798,714.2	827,117.1	865,526.2

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth (%)					
Net interest income	2.5	(0.9)	(1.1)	4.8	3.6
Non-interest income	9.3	0.8	4.3	1.4	5.3
Operating expenses	5.6	2.0	1.9	2.6	2.6
Pre-provision profit	6.6	(0.3)	2.9	6.4	7.2
Core net profit	10.7	1.7	3.3	7.6	7.5
Gross loans	2.6	0.1	4.0	4.5	4.5
Customer deposits	2.9	2.8	1.3	2.8	4.5
Total assets	2.9	3.1	2.6	3.6	4.6
Profitability (%)					
Non-int. income/Total income	27.8	27.8	28.3	27.4	27.5
Average lending yields	4.56	4.23	4.53	4.54	4.55
Average cost of funds	2.91	2.55	2.99	2.93	2.91
Net interest margin	2.21	2.13	2.10	2.16	2.17
Cost/income	46.7	47.3	47.1	46.1	45.0
Liquidity (%)					
Loans/customer deposits	89.1	87.2	89.0	90.5	90.5
Asset quality (%)					
Net NPL	0.8	0.7	1.0	1.0	1.0
Gross NPL	2.1	1.7	2.1	2.1	2.1
(SP+GP)/average gross loans	0.3	0.3	0.3	0.3	0.3
Loan loss coverage	105.3	103.2	112.1	112.1	112.1
Capital adequacy (%)					
CET1	14.9	14.8	14.6	14.9	15.2
Tier 1 capital	15.5	15.4	15.2	15.4	15.7
Risk-weighted capital	18.6	18.5	18.1	18.2	18.4
Returns (%)					
ROAE	11.2	11.3	11.4	11.8	12.1
ROAA	1.0	1.0	1.0	1.1	1.1
Shareholders equity/assets	9.2	9.0	9.1	9.2	9.2

Source: Company; Maybank IBG Research

Cnergnez Bhd (CNERGEN MK)

Not Rated

Share Price

MYR 0.56

AI upcycle drives record order book

Recovery year ahead

CNERGENZ is riding the AI manufacturing upcycle, with its order book reaching its 2024 revenue. They distribute surface mount technology (SMT) equipment, develops original design manufacturer (ODM) test handlers, and smart factory solutions, with key customers ramping new facilities in Malaysia and Thailand for AI server board production.

Execution and pipeline in focus

Discussion centred on order book sustainability, ODM scalability, and margin recovery. Management attributed strong order momentum to hyperscaler customers transitioning from qualification into mass production, with orders expected to be recognised in 2Q-3Q26. The ODM test handler segment, launched in early 2026, is currently producing 2 units/week with capacity scalable to four to six units. Two additional ODM qualification pipelines in the semiconductor and EV segments, from a European and a US-based customer respectively, are underway.

Demand visibility extends into 2027

Management expressed confidence in demand sustainability beyond FY26, noting that the current AI infrastructure rollout remains in its early stages, with additional chip makers expected to drive the next production wave. Their existing order book carries no expected spillover into 2027, with customers actively pushing for installations by 3Q26. The ODM segment, while currently contributing c.3% of revenue, offers a longer-term growth runway given its ability to serve customers globally, beyond the existing three-country geographic footprint.

Valuations: FY26/27E forward P/E of 25x/18x

CNERGENZ is currently non-rated under our coverage. CNERGENZ was listed on the ACE Market on May 2022 and transferred to the Main Market on Jan 2024. Based on Bloomberg consensus, it trades at FY26/27 P/E of 25x/18x, compared to its EMS peers' average P/E of 27x/13x. Consensus expects earnings growth of 83% and 35% for FY26/27 respectively, covered by two brokers with BUYs and TPs ranging between MYR0.57 and MYR0.62.

FYE Dec (MYRm)	FY21A	FY22A	FY23A	FY24A	FY25A
Revenue	153.0	217.0	162.0	129.0	115.0
EBITDA	18.0	30.0	19.0	13.0	3.0
Core net profit	13.0	22.0	15.0	11.0	3.0
Core EPS (sen)	3.3	4.4	3.0	2.2	0.6
Core EPS growth (%)	(18.8)	35.2	(31.8)	(26.7)	(72.7)
Net DPS (sen)	1.76	2.61	0.80	1.61	0.00
Core P/E (x)	17.1	12.7	18.6	25.4	93.0
P/BV (x)	3.1	1.9	1.7	1.7	1.8
Net dividend yield (%)	3.1	4.7	1.4	2.9	-
ROAE (%)	18.3	20.1	9.7	6.8	1.9
ROAA (%)	10.1	13.3	7.5	5.5	1.5
EV/EBITDA (x)	4.3	2.6	4.1	6.0	26.0
Net gearing (%) (incl perps)	Net cash	Net cash	Net debt	Net cash	Net debt

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Company Description

Cnergnez operates as an investment holding company, which engages in the provision of electronics manufacturing solutions through its subsidiary, SiP.

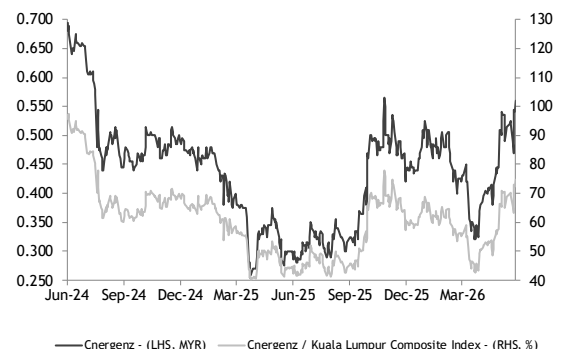
Statistics

52w high/low (MYR)	0.57/0.28
3m avg turnover (USDm)	0.1
Free float (%)	23.3
Issued shares (m)	498
Market capitalisation	MYR278.9M USD69M

Major shareholders:

LYE YHIN CHOY	44.5%
KONG CHIA LIANG	23.4%
Eastspring Investments Bhd.	4.6%

Price Performance



	-1M	-3M	-12M
Absolute (%)	26	32	87
Relative to index (%)	31	34	69

Source: FactSet

Cypark Resources (CYP MK)

Shifting focus to EPCC

Streamline business to improve profitability

Cypark is making stride in streamlining its business operations focus into EPCC, with the recent notable win of MYR1.2b effective orderbook for Kenyir Floating solar and also securing supplementary approval for WtE phase 2. Cypark looks to continue growing in the EPCC segment to improve near-term earnings visibility. Maintain BUY rating with unchanged SOTP-TP of MYR0.84.

Focus on delivering MYR1.5b orderbook

Key investors' questions focused on execution of its current MYR1.5b effective orderbook, timeline for WtE phase 2, and its strategy for expanding the EPCC segment. Among its orderbook the largest portion of it is from the 595MWac Kenyir hybrid floating solar project (MYR1.3b). Given the technical complexities associated with floating solar developments, Cypark is expected to undertake the project jointly with a foreign contractor. Procurement for the projects are on-going, with the bulk of equipment deliveries expected in 4QCY26. Meanwhile, Cypark's WtE Phase 2 project received a supplementary agreement from the relevant authority in Mar26 and is currently in the process of finalising the concession agreement, which is targeted by 1QCY27 or earlier.

WtE and EPCC to be key business pillars

Cypark is shifting its focus into selectively growing asset base in the WtE segment while driving sustainable growth in its solar EPCC segment by building up its track record for external projects. Cypark's current tenderbook stood at MYR2.2b, primarily for solar + BESS EPCC projects. With the robust tender pipeline and upcoming rollout of LSS6, Cypark aims to achieve a sustainable annual replenishment of MYR600-700m from FY27E onwards.

Maintain BUY with unchanged MYR0.84 TP

We value Cypark with a SOTP-TP of MYR0.84, with its EPCC business assigned a 13x P/E (versus 25x for sector peers) primarily reflecting Cypark's limited track record in executing external EPCC projects. While we value its WtE and solar asset portfolio using DCF.

FYE Apr (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	184	158	188	503	902
EBITDA	47	78	60	153	198
Core net profit	(48)	(108)	(99)	(11)	24
Core EPS (sen)	(5.9)	(13.2)	(12.0)	(1.4)	2.9
Core EPS growth (%)	nm	nm	nm	nm	nm
Net DPS (sen)	0.0	0.0	0.0	0.0	0.0
Core P/E (x)	nm	nm	nm	nm	23.4
P/BV (x)	1.1	1.0	1.0	1.0	1.0
Net dividend yield (%)	0.0	0.0	0.0	0.0	0.0
ROAE (%)	(14.9)	(3.0)	(16.0)	(2.0)	4.2
ROAA (%)	(1.7)	(3.7)	(3.4)	(0.4)	0.8
EV/EBITDA (x)	45.3	26.5	33.5	12.6	9.1
Net gearing (%) (incl perps)	110.7	117.4	129.3	124.1	111.5
Consensus net profit	-	-	(81)	(28)	12
MIBG vs. Consensus (%)	-	-	(22.1)	60.0	108.4

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BUY

Share Price	MYR 0.69
12m Price Target	MYR 0.84 (+22%)
Previous Price Target	MYR 0.84

Company Description

Cypark is an integrated renewable energy and environmental solutions provider with exposure to large-scale solar, WTE assets, and EPCC services

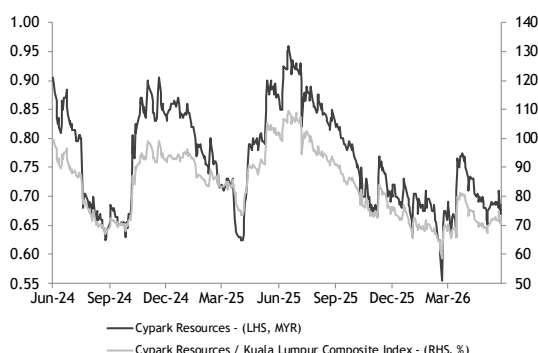
Statistics

52w high/low (MYR)	0.96/0.56
3m avg turnover (USDm)	0.7
Free float (%)	39.9
Issued shares (m)	823
Market capitalisation	MYR563.6M USD139M

Major shareholders:

Jakel Capital Sdn. Bhd.	21.5%
BIN AHMAD DAUD	8.4%
CHUNG CHEE YANG	8.0%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(1)	1	(23)
Relative to index (%)	3	3	(31)

Source: FactSet

Abbreviations

BESS- Battery energy storage system
EPCC - Engineering, procurement, construction, and commissioning
RE - Renewable energy
LSS - Large scale solar
WTE - Waste to energy

Link to latest report:

[Cypark Resources \(CYP MK\) - Shifting focus to EPCC](#)

FYE 30 Apr	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	nm	nm	nm	nm	23.4
Core P/E (x)	nm	nm	nm	nm	23.4
P/BV (x)	1.1	1.0	1.0	1.0	1.0
P/NTA (x)	2.8	1.9	1.9	1.7	1.4
Net dividend yield (%)	0.0	0.0	0.0	0.0	0.0
FCF yield (%)	nm	11.7	0.8	15.0	20.9
EV/EBITDA (x)	45.3	26.5	33.5	12.6	9.1
EV/EBIT (x)	nm	nm	nm	27.1	15.6
INCOME STATEMENT (MYR m)					
Revenue	183.9	157.8	188.0	503.0	901.6
EBITDA	46.6	78.2	59.7	153.2	198.5
Depreciation	(11.0)	(27.5)	(29.2)	(29.2)	(29.2)
Amortisation	(53.6)	(53.8)	(52.9)	(52.9)	(52.9)
EBIT	(18.0)	(3.1)	(22.5)	71.1	116.4
Net interest income / (exp)	(33.4)	(56.1)	(61.1)	(61.1)	(61.1)
Associates & JV	(0.1)	(0.5)	0.6	0.6	0.6
Exceptionals	(0.9)	89.9	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	(52.4)	30.2	(83.0)	10.6	55.9
Income tax	(35.5)	(16.8)	18.3	(2.3)	(12.3)
Minorities	0.0	0.0	0.0	0.0	0.0
Perpetual securities	(26.0)	(34.1)	(34.1)	(19.5)	(19.5)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	(113.9)	(20.7)	(98.9)	(11.2)	24.1
Core net profit	(48.4)	(108.3)	(98.9)	(11.2)	24.1
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	153.2	171.5	118.7	96.0	112.6
Accounts receivable	109.0	110.2	131.3	351.2	629.6
Inventory	0.0	0.0	0.0	0.0	0.0
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	856.7	899.5	870.3	841.2	812.0
Intangible assets	916.2	866.4	813.5	760.6	707.6
Investment in Associates & JVs	2.8	2.3	2.3	2.3	2.3
Other assets	872.4	887.6	887.6	902.3	917.0
Total assets	2,910.3	2,937.5	2,823.7	2,953.5	3,181.0
ST interest bearing debt	195.1	343.3	94.2	94.2	0.0
Accounts payable	212.8	117.9	140.4	375.7	673.4
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	1,291.7	1,244.4	1,455.9	1,361.7	1,361.7
Other liabilities	6.0	26.0	26.0	26.0	26.0
Total Liabilities	1,706.0	1,731.5	1,716.5	1,857.5	2,061.0
Shareholders Equity	712.8	668.7	569.8	558.6	582.7
Minority Interest	(17.1)	2.3	2.3	2.3	2.3
Total shareholder equity	695.7	671.0	572.2	560.9	585.0
Perpetual securities	508.6	535.0	535.0	535.0	535.0
Total liabilities and equity	2,910.3	2,937.5	2,823.7	2,953.5	3,181.0
CASH FLOW (MYR m)					
Pretax profit	(52.4)	30.2	(83.0)	10.6	55.9
Depreciation & amortisation	64.6	81.3	82.1	82.1	82.1
Adj net interest (income)/exp	0.0	0.0	0.0	0.0	0.0
Change in working capital	0.0	0.0	1.5	15.3	19.4
Cash taxes paid	0.0	0.0	0.0	0.0	0.0
Other operating cash flow	(48.2)	(35.2)	(14.4)	(6.5)	(12.4)
Cash flow from operations	(36.0)	76.2	4.4	99.2	132.6
Capex	0.0	0.0	0.0	(14.7)	(14.7)
Free cash flow	(36.0)	76.2	4.4	84.5	117.9
Dividends paid	0.0	0.0	0.0	0.0	0.0
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Perpetual securities	242.2	0.0	0.0	0.0	0.0
Change in Debt	0.0	0.0	(37.5)	(94.2)	(94.2)
Other invest/financing cash flow	0.0	0.0	0.0	0.0	0.0
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	206.3	76.2	(33.0)	(9.8)	23.7

FYE 30 Apr	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	(41.1)	(14.2)	19.1	167.5	79.2
EBITDA growth	(47.1)	67.7	(23.7)	156.9	29.5
EBIT growth	nm	nm	nm	nm	63.6
Pretax growth	nm	nm	nm	nm	427.5
Reported net profit growth	nm	nm	nm	nm	nm
Core net profit growth	nm	nm	nm	nm	nm
Profitability ratios (%)					
EBITDA margin	25.4	49.5	31.7	30.5	22.0
EBIT margin	nm	nm	nm	14.1	12.9
Pretax profit margin	nm	19.1	nm	2.1	6.2
Payout ratio	0.0	0.0	0.0	0.0	0.0
DuPont analysis					
Net profit margin (%)	nm	nm	nm	nm	2.7
Revenue/Assets (x)	0.1	0.1	0.1	0.2	0.3
Assets/Equity (x)	4.1	4.4	5.0	5.3	5.5
ROAE (%)	(14.9)	(3.0)	(16.0)	(2.0)	4.2
ROAA (%)	(1.7)	(3.7)	(3.4)	(0.4)	0.8
Liquidity & Efficiency					
Cash conversion cycle	nm	nm	nm	nm	nm
Days receivable outstanding	199.7	250.0	231.2	172.7	195.8
Days inventory outstanding	nm	nm	nm	nm	nm
Days payables outstanding	396.4	384.7	229.0	225.5	252.0
Dividend cover (x)	nm	nm	nm	nm	nm
Current ratio (x)	2.6	2.4	4.6	2.7	2.4
Leverage & Expense Analysis					
Asset/Liability (x)	1.7	1.7	1.6	1.6	1.5
Net gearing (%) (incl perps)	110.7	117.4	129.3	124.1	111.5
Net gearing (%) (excl. perps)	191.7	211.0	250.2	242.4	213.5
Net interest cover (x)	na	na	na	1.2	1.9
Debt/EBITDA (x)	nm	nm	nm	9.5	6.9
Capex/revenue (%)	0.0	0.0	0.0	2.9	1.6
Net debt/ (net cash)	1,333.5	1,416.1	1,431.4	1,359.9	1,249.1

Source: Company; Maybank IBG Research

Dialog Group (DLG MK)

Structural growth story intact

Clear growth story

Dialog is a net beneficiary of the Middle East conflict, from: i) higher crude oil prices which would benefit its producing upstream assets; and ii) energy security which triggers “strategic hoarding” for tank terminals. We reiterate our positive view on Dialog given a clear structural growth story, with 5 new assets coming online over the next 2 years - which we believe would buoy EPS growth over FY26-28E. No changes to our forecasts. Maintain BUY with an unchanged SOP-TP of MYR2.36.

5 new major assets to boost EPS growth in FY27-28E

Over the next 2 years, Dialog should have a slew of upcoming EPS-boosting assets, namely: i) Cendramas PSC (1QFY27); ii) first gas from Baram Junior Cluster (2QFY27); iii) expansion of Langsat renewable fuel tanks of 150k m3 (1QFY27); iv) expansion of PT2 with 272k m3 storage for PETRONAS-ENI-Euglena biorefinery (2HFY28); and v) expansion in PT5 with 614k m3 storage for BP Singapore (mid-2028). Also, Dialog has an additional 660 acres of land available in Pengerang Deepwater Terminals for future expansion opportunities.

Beneficiary of geopolitical issues; ChemOne upside

The geopolitical tensions in the Middle East has caused supply disruptions - leading to higher crude oil prices, where Brent ranged between USD95-110/bbl over the last 2 months. Dialog stands as a net beneficiary of this development with its two producing upstream assets: i) 50%-JV Pan Orient Energy Corp (POES) in Thailand; and ii) 20% stake in a PSC for D35/J4/D21 fields in Sarawak. We note that Dialog’s tank terminal’s operations are stable at >90% utilisation rates. Also, ChemOne recently announced that it has appointed China National Chemical Engineering Co (CNCEC) as its main contractor for a petrochemical facility in Pengerang, but pending financial closure. We believe this could pose upside risk to Dialog as the facility would inevitably need a tank terminal for storage of its feedstock/products, if ChemOne’s Pengerang Energy Complex project takes off.

Maintain BUY with a SOP-TP of MYR2.36

We continue to like Dialog for its recurring income portfolio and cash flow stability from its midstream tank terminal assets. Dialog is also primed for a multi-year growth phase in FY26-28E. Maintain BUY with an unchanged SOP-based TP of MYR2.36.

FYE Jun (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	3,152	2,502	2,859	3,059	3,254
EBITDA	768	461	706	740	756
Core net profit	611	421	606	659	689
Core EPS (sen)	10.8	7.5	10.7	11.7	12.2
Core EPS growth (%)	20.7	(31.1)	44.1	8.6	4.6
Net DPS (sen)	4.3	3.1	4.3	4.7	4.9
Core P/E (x)	22.1	21.2	18.4	17.0	16.2
P/BV (x)	2.3	1.6	1.8	1.7	1.6
Net dividend yield (%)	1.8	2.0	2.2	2.4	2.5
ROAE (%)	10.0	5.2	10.2	10.4	10.3
ROAA (%)	6.6	4.7	6.9	7.2	7.2
EV/EBITDA (x)	17.2	18.1	15.1	14.5	14.2
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	578	636	665
MIBG vs. Consensus (%)	-	-	5.0	3.5	3.6

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BUY

Share Price	MYR 1.98
12m Price Target	MYR 2.36 (+21%)
Previous Price Target	MYR 2.36

Company Description

Dialog Group engages in the provision of technical services to the energy sector.

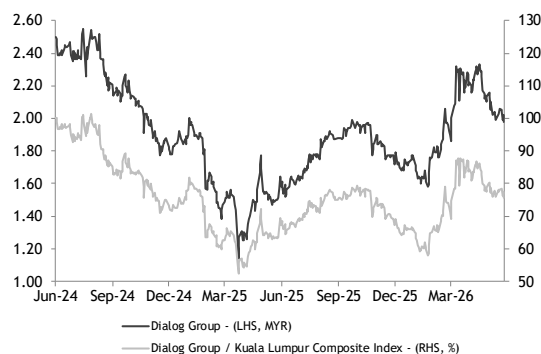
Statistics

52w high/low (MYR)	2.33/1.52
3m avg turnover (USDm)	8.2
Free float (%)	57.0
Issued shares (m)	5,646
Market capitalisation	MYR11.2B USD2.8B

Major shareholders:

Employees Provident Fund	21.9%
Kumpulan Wang Persaraan	9.9%
Wide Synergy Sdn. Bhd.	8.2%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(7)	1	31
Relative to index (%)	(3)	2	19

Source: FactSet

Link to latest report:

[Dialog Group \(DLG MK\) - 3QFY26: Within expectations](#)

FYE 30 Jun	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	21.4	35.1	18.4	17.0	16.2
Core P/E (x)	22.1	21.2	18.4	17.0	16.2
P/BV (x)	2.3	1.6	1.8	1.7	1.6
P/NTA (x)	2.7	1.9	2.2	2.0	1.9
Net dividend yield (%)	1.8	2.0	2.2	2.4	2.5
FCF yield (%)	5.5	7.4	2.1	2.3	2.4
EV/EBITDA (x)	17.2	18.1	15.1	14.5	14.2
EV/EBIT (x)	30.4	63.4	29.6	28.4	27.6
INCOME STATEMENT (MYR m)					
Revenue	3,151.9	2,501.6	2,859.4	3,059.4	3,254.4
EBITDA	767.7	460.9	706.1	739.5	756.0
Depreciation	(333.7)	(329.3)	(345.8)	(363.1)	(366.7)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	434.1	131.5	360.3	376.4	389.3
Net interest income / (exp)	(64.8)	(48.8)	(38.4)	(37.1)	(35.9)
Associates & JV	309.9	293.2	350.8	390.8	410.2
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	679.1	375.9	672.7	730.1	763.6
Income tax	(73.8)	(66.2)	(60.5)	(65.7)	(68.7)
Minorities	(30.3)	(5.9)	(5.9)	(5.9)	(5.9)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	575.0	303.8	606.3	658.5	689.0
Core net profit	610.8	420.6	606.3	658.5	689.0
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	1,572.8	1,669.9	1,568.4	1,475.7	1,385.4
Accounts receivable	789.2	483.4	484.5	485.6	486.6
Inventory	94.7	73.7	74.8	75.9	77.0
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	2,794.1	2,644.0	2,698.2	2,735.1	2,768.4
Intangible assets	993.0	926.9	926.9	926.9	926.9
Investment in Associates & JVs	1,727.7	1,794.9	2,145.7	2,536.5	2,946.8
Other assets	1,158.8	1,094.1	1,109.1	1,124.1	1,139.1
Total assets	9,130.3	8,686.9	9,007.7	9,359.8	9,730.2
ST interest bearing debt	127.7	724.1	724.1	724.1	724.1
Accounts payable	822.0	809.0	810.1	811.2	812.3
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	1,074.8	361.1	311.1	261.1	211.1
Other liabilities	598.0	549.0	549.0	549.0	549.0
Total Liabilities	2,622.7	2,443.2	2,394.3	2,345.4	2,296.5
Shareholders Equity	5,944.2	5,741.3	6,105.1	6,500.2	6,913.6
Minority Interest	64.5	3.5	9.4	15.2	21.1
Total shareholder equity	6,008.7	5,744.8	6,114.4	6,515.4	6,934.7
Perpetual securities	498.9	498.9	498.9	498.9	498.9
Total liabilities and equity	9,130.3	8,686.9	9,007.7	9,359.8	9,730.2
CASH FLOW (MYR m)					
Pretax profit	679.1	375.9	672.7	730.1	763.6
Depreciation & amortisation	333.7	329.3	345.8	363.1	366.7
Adj net interest (income)/exp	18.9	6.4	38.4	37.1	35.9
Change in working capital	(41.3)	272.7	(1.1)	(1.1)	(1.1)
Cash taxes paid	(75.1)	(78.6)	(60.5)	(65.7)	(68.7)
Other operating cash flow	(259.2)	(162.1)	(350.8)	(390.8)	(410.2)
Cash flow from operations	1,174.1	1,016.3	644.4	672.8	686.2
Capex	(428.7)	(359.0)	(415.0)	(415.0)	(415.0)
Free cash flow	745.4	657.3	229.4	257.8	271.2
Dividends paid	(220.1)	(231.4)	(242.5)	(263.4)	(275.6)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(484.1)	(75.8)	(50.0)	(50.0)	(50.0)
Other invest/financing cash flow	(194.0)	(230.3)	(38.4)	(37.1)	(35.9)
Effect of exch rate changes	5.0	(21.9)	1.0	1.0	1.0
Net cash flow	(147.7)	97.9	(100.5)	(91.8)	(89.3)

FYE 30 Jun	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	5.0	(20.6)	14.3	7.0	6.4
EBITDA growth	48.5	(40.0)	53.2	4.7	2.2
EBIT growth	65.5	(69.7)	173.9	4.5	3.4
Pretax growth	22.6	(44.7)	79.0	8.5	4.6
Reported net profit growth	12.6	(47.2)	99.6	8.6	4.6
Core net profit growth	20.7	(31.1)	44.1	8.6	4.6
Profitability ratios (%)					
EBITDA margin	24.4	18.4	24.7	24.2	23.2
EBIT margin	13.8	5.3	12.6	12.3	12.0
Pretax profit margin	21.5	15.0	23.5	23.9	23.5
Payout ratio	42.2	57.6	40.0	40.0	40.0
DuPont analysis					
Net profit margin (%)	18.2	12.1	21.2	21.5	21.2
Revenue/Assets (x)	0.3	0.3	0.3	0.3	0.3
Assets/Equity (x)	1.5	1.5	1.5	1.4	1.4
ROAE (%)	10.0	5.2	10.2	10.4	10.3
ROAA (%)	6.6	4.7	6.9	7.2	7.2
Liquidity & Efficiency					
Cash conversion cycle	(3.4)	(16.4)	(45.4)	(41.9)	(38.9)
Days receivable outstanding	96.7	91.6	60.9	57.1	53.8
Days inventory outstanding	10.6	12.4	10.7	10.2	9.6
Days payables outstanding	110.8	120.4	117.0	109.2	102.4
Dividend cover (x)	2.4	1.7	2.5	2.5	2.5
Current ratio (x)	2.4	1.4	1.4	1.3	1.3
Leverage & Expense Analysis					
Asset/Liability (x)	3.5	3.6	3.8	4.0	4.2
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	6.7	2.7	9.4	10.1	10.9
Debt/EBITDA (x)	1.6	2.4	1.5	1.3	1.2
Capex/revenue (%)	13.6	14.4	14.5	13.6	12.8
Net debt/ (net cash)	(370.2)	(584.7)	(533.2)	(490.5)	(450.2)

Source: Company; Maybank IBG Research

Duopharma Biotech (DBB MK)

Not Rated

Share Price

MYR 1.24

Next phase of growth

Growth despite headwind

Duopharma is Malaysia's leading pharmaceutical company, with a diversified revenue base across public sector, private healthcare and exports. The group continues to benefit from MOH contract visibility, stronger product mix, operational efficiency and expansion into higher-value products. Key discussions centered on geopolitical uncertainty, potential API cost pressures and concerns over possible govt healthcare budget cuts.

Geopolitical Uncertainty

Investors were mainly concerned about geopolitical uncertainty and global trade tensions driving higher active pharmaceutical ingredient (API) costs. Discussions focused on whether cost pass-through is possible, although management noted this remains uncertain. A new 3-year recombinant human insulin (RHI) contract worth RM155.3m was secured, though with a smaller contract size than previously, as management chose not to price aggressively to maximise allocation. Govt healthcare budget cut concerns were also raised; however, management indicated that medicine procurement is likely to be the last area affected, given its critical role in healthcare services.

Record breaking 1Q26

Management remains positive with 1Q26 profit reached record quarterly levels, supported by a stronger product mix, operational efficiency and Ringgit strength. The 5.7% YoY decline in 1Q26 revenue to RM247.9m, the weaker revenue performance was primarily driven by a 14.0% YoY decline in government-sector sales, reflecting the normalisation of insulin demand following an unusually high base in 1Q25.

Trading at 12x/11x FY26/27E consensus P/E

Duopharma is currently trading at 11.7/10.9x FY26/27E consensus P/E. Bloomberg consensus estimates an FY26E net profit of MYR102.6m. There are currently 6 brokers covering the stock; all 6 have BUY ratings. Consensus target prices ranges from MYR1.56 to MYR1.81.

FYE Dec (MYRm)	FY21A	FY22A	FY23A	FY24A	FY25A
Revenue	639.2	696.7	704.7	813.7	931.7
EBITDA	120.7	129.0	121.8	146.1	179.4
Core net profit	65.7	70.1	52.6	62.7	87.5
Core EPS (sen)	7.0	7.4	5.5	6.5	9.1
Core EPS growth (%)	(32.2)	5.9	(25.7)	18.6	39.6
Net DPS (sen)	2.30	2.30	2.30	3.00	4.55
Core P/E (x)	17.8	16.8	22.6	19.0	13.6
P/BV (x)	1.9	1.8	1.7	1.7	1.6
Net dividend yield (%)	1.9	1.9	1.9	2.4	3.7
ROAE (%)	10.5	11.0	7.8	9.0	11.9
ROAA (%)	5.6	5.9	4.1	4.6	6.2
EV/EBITDA (x)	10.6	9.9	10.5	8.7	7.1
Net gearing (%) (incl perps)	Net cash	Net cash	40.2	35.0	26.7

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Company Description

Duopharma Biotech Bhd. is an investment holding company, which engages in the manufacturing and distribution of pharmaceutical products.

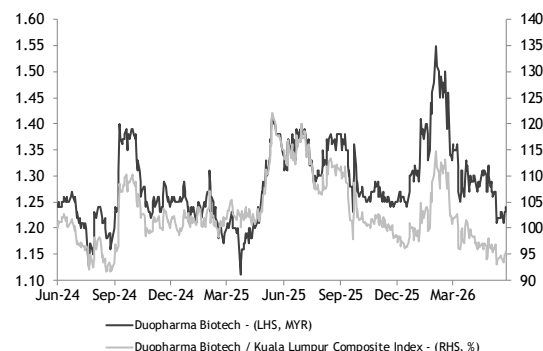
Statistics

52w high/low (MYR)	1.55/1.21
3m avg turnover (USDm)	0.2
Free float (%)	44.2
Issued shares (m)	962
Market capitalisation	MYR1.2B USD294M

Major shareholders:

Bumiputra Investment Foundation	43.1%
Employees Provident Fund	8.9%
Permodalan Nasional Bhd.	6.8%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(2)	(11)	(10)
Relative to index (%)	2	(10)	(19)

Source: FactSet

Eco World Development (ECW MK)

Expanding recurring income while maintaining growth

Dual growth engines

ECW expects FY26 earnings to exceed FY25, driven by DC land sales and ongoing project billings. While maintaining its balanced residential-industrial model, ECW aims to expand recurring income via build-and-lease DC assets and specialised industrial properties. Strong DC demand and a sizeable industrial landbank support growth visibility, while improving cash flow and a stronger balance sheet provide capacity for future investments/landbanking. We maintain our earnings forecasts and MYR2.30 RNAV-based TP (0.7x P/RNAV). Reiterate BUY.

Resilient demand amid cost pressures

Questions centred on property demand and margin sustainability amid rising construction costs stemming from the Middle East conflict. Investors also sought updates on ECW's data centre (DC) pipeline, landbank, recurring income strategy and future build-and-lease DC opportunities. Management indicated that demand remains resilient, particularly for JSSEZ-related properties, industrial products and DC land sales, although residential buyers have become more selective depending on location. ECW aims to mitigate cost inflation through selective price increases and product redesign, while high-margin DC land sales should continue to support profitability over the medium term.

Recurring income expansion remains on track

Management expects FY26 earnings to exceed FY25, driven by DC land sales and ongoing project billings. While maintaining its balanced residential-industrial model, ECW aims to expand recurring income through build-and-lease DC assets and specialised industrial properties. Strong DC demand and a sizeable industrial landbank underpin growth visibility, while improving cash flow and a stronger balance sheet provide capacity for future investments and landbanking opportunities.

Maintain BUY with an unchanged MYR2.30 TP

We value ECW at 0.7x P/RNAV, a premium to the industry average of 0.52x, reflecting its strong execution track record, hands-on management and meaningful exposure to the fast-growing industrial property segment. ECW currently trades at 0.62x P/RNAV and offers FY26E div yield of 3.9%. Its balance sheet remains healthy, with net gearing of 0.17x in end-2QFY26.

FYE Oct (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	2,258	2,931	3,965	3,957	4,371
EBITDA	468	686	754	694	889
Core net profit	347	422	554	487	609
Core EPS (sen)	11.8	14.1	17.3	15.2	19.0
Core EPS growth (%)	26.9	20.1	22.3	(12.1)	25.0
Net DPS (sen)	6.0	7.0	8.0	8.0	8.0
Core P/E (x)	15.2	14.6	12.0	13.7	11.0
P/BV (x)	1.1	1.1	1.2	1.2	1.1
Net dividend yield (%)	3.4	3.4	3.8	3.8	3.8
ROAE (%)	6.3	8.5	10.2	8.8	10.4
ROAA (%)	3.9	3.8	3.9	3.2	3.7
EV/EBITDA (x)	13.2	12.7	13.3	15.9	12.2
Net gearing (%) (incl perps)	18.7	28.2	41.4	55.4	49.2
Consensus net profit	-	-	552	560	609
MIBG vs. Consensus (%)	-	-	0.5	(12.9)	0.0

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BUY

Share Price	MYR 2.08
12m Price Target	MYR 2.30 (+11%)
Previous Price Target	MYR 2.30

Company Description

Eco World Development is principally involved in the property development business.

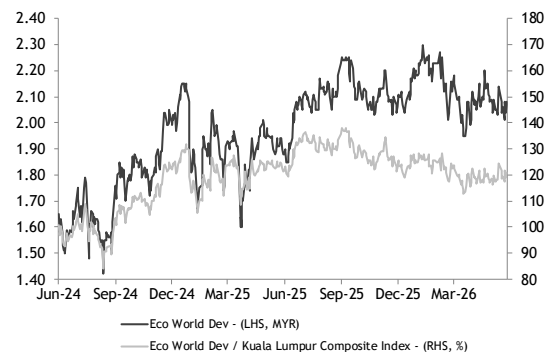
Statistics

52w high/low (MYR)	2.30/1.85
3m avg turnover (USDm)	1.3
Free float (%)	32.2
Issued shares (m)	3,223
Market capitalisation	MYR6.7B
	USD1.7B

Major shareholders:

Syabas Tropikal Sdn. Bhd.	30.1%
LIEW KEE SIN	9.2%
LIEW TIAN XIONG	7.0%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(3)	(1)	7
Relative to index (%)	1	1	(3)

Source: FactSet

Link to latest report:

[Eco World Development \(ECW MK\) - 2QFY26 earnings likely to stay resilient](#)

FYE 31 Oct	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	14.0	13.5	12.0	13.7	11.0
Core P/E (x)	15.2	14.6	12.0	13.7	11.0
P/BV (x)	1.1	1.1	1.2	1.2	1.1
P/NTA (x)	1.1	1.2	1.2	1.2	1.1
Net dividend yield (%)	3.4	3.4	3.8	3.8	3.8
FCF yield (%)	5.4	nm	nm	nm	7.2
EV/EBITDA (x)	13.2	12.7	13.3	15.9	12.2
EV/EBIT (x)	13.2	12.7	13.4	16.1	12.3
INCOME STATEMENT (MYR m)					
Revenue	2,258.2	2,930.5	3,965.0	3,957.4	4,370.7
EBITDA	468.2	686.3	754.2	694.1	888.9
Depreciation	0.0	0.0	(5.6)	(6.2)	(6.7)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	468.2	686.3	748.6	687.9	882.3
Net interest income /(exp)	(117.4)	(132.3)	(116.1)	(144.6)	(178.6)
Associates & JV	101.0	45.0	97.1	107.5	148.8
Exceptionals	(45.0)	17.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	406.9	615.9	729.6	650.8	852.5
Income tax	(103.4)	(170.6)	(175.1)	(156.2)	(204.6)
Minorities	0.0	(7.3)	0.0	(7.1)	(38.4)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	303.5	438.1	554.5	487.5	609.4
Core net profit	346.6	421.7	554.5	487.5	609.4
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	1,356.6	2,282.7	2,058.6	1,761.8	2,685.9
Accounts receivable	539.0	940.5	1,272.5	1,270.1	1,402.7
Inventory	176.3	142.6	192.9	192.5	212.6
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	130.7	160.9	205.3	3,914.7	3,007.3
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	2,196.3	1,380.6	1,828.4	1,828.4	1,897.3
Other assets	4,524.3	8,567.6	9,420.2	6,933.2	8,170.9
Total assets	8,923.2	13,474.8	14,977.8	15,900.8	17,376.7
ST interest bearing debt	510.7	507.8	1,107.8	1,807.8	2,507.8
Accounts payable	866.2	951.9	1,287.9	1,285.4	1,419.7
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	1,763.4	3,537.2	3,537.2	3,537.2	3,537.2
Other liabilities	889.0	2,238.0	2,805.0	2,799.0	3,088.0
Total Liabilities	4,029.5	7,235.2	8,737.5	9,429.8	10,553.0
Shareholders Equity	4,893.7	5,434.3	5,435.0	5,665.8	6,018.4
Minority Interest	0.0	805.3	805.3	805.3	805.3
Total shareholder equity	4,893.7	6,239.6	6,240.3	6,471.0	6,823.7
Total liabilities and equity	8,923.2	13,474.8	14,977.8	15,900.8	17,376.7
CASH FLOW (MYR m)					
Pretax profit	406.9	615.9	729.6	650.8	852.5
Depreciation & amortisation	0.0	0.0	5.6	6.2	6.7
Adj net interest (income)/exp	(131.2)	(184.2)	(116.1)	(144.6)	(178.6)
Change in working capital	713.1	749.1	537.2	(3.9)	214.6
Cash taxes paid	(97.9)	(200.2)	(175.1)	(156.2)	(204.6)
Other operating cash flow	(0.9)	(73.5)	0.0	0.0	0.0
Cash flow from operations	890.0	907.1	884.0	244.7	541.8
Capex	(521.3)	(1,365.5)	(1,499.2)	(984.6)	(62.0)
Free cash flow	284.0	(647.0)	(615.2)	(740.0)	480.8
Dividends paid	(176.8)	(212.3)	(209.0)	(256.8)	(256.8)
Equity raised / (purchased)	5.1	292.0	0.0	0.0	0.0
Change in Debt	(266.7)	1,770.9	600.0	700.0	700.0
Other invest/financing cash flow	218.8	(870.0)	0.0	0.0	1.0
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	149.1	522.2	(224.2)	(296.7)	924.1

FYE 31 Oct	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	1.4	29.8	35.3	(0.2)	10.4
EBITDA growth	20.7	46.6	9.9	(8.0)	28.1
EBIT growth	20.7	46.6	9.1	(8.1)	28.3
Pretax growth	50.7	51.4	18.5	(10.8)	31.0
Reported net profit growth	60.3	44.3	26.6	(12.1)	25.0
Core net profit growth	27.0	21.7	31.5	(12.1)	25.0
Profitability ratios (%)					
EBITDA margin	20.7	23.4	19.0	17.5	20.3
EBIT margin	20.7	23.4	18.9	17.4	20.2
Pretax profit margin	18.0	21.0	18.4	16.4	19.5
Payout ratio	58.2	47.7	46.3	52.7	42.1
DuPont analysis					
Net profit margin (%)	13.4	14.9	14.0	12.3	13.9
Revenue/Assets (x)	0.3	0.2	0.3	0.2	0.3
Assets/Equity (x)	1.8	2.5	2.8	2.8	2.9
ROAE (%)	6.3	8.5	10.2	8.8	10.4
ROAA (%)	3.9	3.8	3.9	3.2	3.7
Leverage & Expense Analysis					
Asset/Liability (x)	2.2	1.9	1.7	1.7	1.6
Net gearing (%) (incl perps)	18.7	28.2	41.4	55.4	49.2
Net gearing (%) (excl. perps)	18.7	28.2	41.4	55.4	49.2
Net interest cover (x)	4.0	5.2	6.4	4.8	4.9
Debt/EBITDA (x)	4.9	5.9	6.2	7.7	6.8
Capex/revenue (%)	23.1	46.6	37.8	24.9	1.4
Net debt/ (net cash)	917.5	1,762.3	2,586.5	3,583.2	3,359.1

Source: Company; Maybank IBG Research

Eco-Shop Marketing (ECOSHOP MK)

Expanding its footprint

Mass market appeal despite weaker environment

ECOSHOP intends to continue its store expansion plans and believes that sales momentum may stay resilient amid a potentially weaker consumer spending environment given its low-price point and appeal to mass-market consumers. The group is also actively managing costs, though input cost, fuel, and logistic cost increases are manageable for now. Our earnings estimates, BUY call, and TP of MYR1.50 (29x CY26E P/E) is unchanged.

Managing a challenging environment

Discussion points centred around ECOSHOP's SSSG recovery trajectory, supplier-led input cost pressures, and the Middle-East conflicts impact on fuel, logistics, and energy costs. The group also reiterated its new store opening plans and cost efficiency initiatives in light of potentially weaker consumer sentiment in 2HCY26.

Gradual improvement in SSSG but opex is creeping up

ECOSHOP shared that gradual SSSG recovery in 4QFY26 is underway given stabilised sales momentum and a lower base comparison to 4QFY25 (when product prices were raised to MYR2.60/item [+20sen/item] in mid-Apr 2025). With increasing costs of production, suppliers have pushed through price increases for c.400 SKUs (c.3% of total SKUs). Freight costs in relation to its product sourcing from China is also on the rise. Cumulatively, this may translate to higher costs of c.MYR14m p.a.. To combat this, ECOSHOP has been actively managing costs and lifting labour productivity to keep operating margins stable. The group also hedges 50% of its CNY FX needs.

Maintain BUY with an unchanged TP of MYR1.50

Our TP of MYR1.50 is based on 29x CY26E P/E with dividend yields of c.3%. We project for FY26E/FY27E/FY28E earnings growth of +20%/+29%/+20% premised on new store openings of +100 stores/+90 stores/+90 stores, and SSSG of -11%/+5%/+5%. Management aims to achieve another +100 new stores in FY27, of which 60 new store locations have already been identified.

FYE May (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	2,404	2,788	2,815	3,623	4,468
EBITDA	368	430	513	676	783
Core net profit	183	213	255	330	396
Core EPS (sen)	3.2	3.7	4.4	5.7	6.9
Core EPS growth (%)	71.0	16.8	19.7	29.2	20.1
Net DPS (sen)	1.7	3.6	2.7	3.4	4.1
Core P/E (x)	na	34.0	27.9	21.6	18.0
P/BV (x)	na	7.3	6.5	5.8	5.2
Net dividend yield (%)	na	2.9	2.1	2.8	3.3
ROAE (%)	32.9	26.6	24.5	28.5	30.4
ROAA (%)	15.6	13.6	13.4	15.9	17.1
EV/EBITDA (x)	20.4	17.2	14.6	11.1	9.6
Net gearing (%) (incl perps)	5.3	net cash	net cash	net cash	net cash
Consensus net profit	-	-	258	328	388
MIBG vs. Consensus (%)	-	-	(1.1)	0.6	2.0

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BUY

Share Price	MYR 1.24
12m Price Target	MYR 1.50 (+24%)
Previous Price Target	MYR 1.50

Company Description

Eco-shop marketing is the largest dollar-store chain in Malaysia

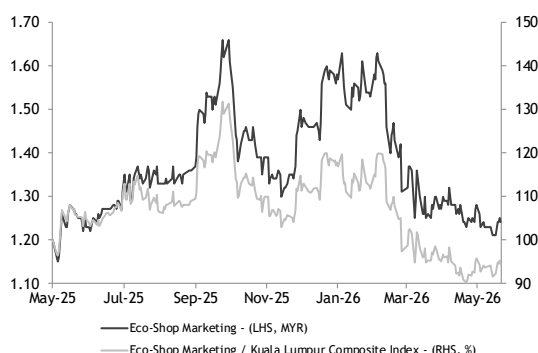
Statistics

52w high/low (MYR)	1.66/1.21
3m avg turnover (USDm)	2.3
Free float (%)	21.0
Issued shares (m)	5,756
Market capitalisation	MYR7.1B
	USD1.8B

Major shareholders:

LEE KAR WHATT	73.8%
Essential Forever Sdn. Bhd.	3.1%
Agathis Montana Sdn. Bhd.	1.9%

Price Performance



	-1M	-3M	-12M
Absolute (%)	0	(16)	(2)
Relative to index (%)	4	(14)	(11)

Source: FactSet

FYE 31 May	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	na	33.3	27.9	21.6	18.0
Core P/E (x)	na	34.0	27.9	21.6	18.0
P/BV (x)	na	7.3	6.5	5.8	5.2
P/NTA (x)	na	7.4	6.7	5.9	5.3
Net dividend yield (%)	na	2.9	2.1	2.8	3.3
FCF yield (%)	na	2.9	0.2	3.6	4.6
EV/EBITDA (x)	20.4	17.2	14.6	11.1	9.6
EV/EBIT (x)	28.4	24.2	20.4	15.6	13.1
INCOME STATEMENT (MYR m)					
Revenue	2,404.0	2,787.5	2,815.3	3,623.1	4,467.7
EBITDA	367.5	429.6	513.3	676.1	782.9
Depreciation	(102.2)	(122.0)	(142.4)	(191.4)	(204.6)
Amortisation	(1.3)	(1.9)	(3.3)	(4.1)	(4.7)
EBIT	264.1	305.7	367.6	480.7	573.5
Net interest income / (exp)	(21.6)	(24.8)	(18.0)	(28.8)	(30.9)
Associates & JV	(0.8)	0.0	0.0	0.0	0.0
Exceptionals	(5.3)	(8.2)	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	241.7	280.9	349.7	451.9	542.7
Income tax	(64.4)	(75.9)	(94.4)	(122.1)	(146.6)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	177.3	205.0	255.2	329.8	396.1
Core net profit	182.6	213.2	255.2	329.8	396.1
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	100.2	371.0	160.6	144.3	164.4
Accounts receivable	55.5	83.7	102.6	132.0	162.8
Inventory	384.1	444.0	417.2	537.6	665.3
Property, Plant & Equip (net)	353.4	400.9	736.1	826.6	903.8
Intangible assets	10.6	18.0	22.4	26.1	29.1
Investment in Associates & JVs	10.7	10.8	10.8	10.9	10.9
Other assets	361.3	526.0	508.1	508.1	508.1
Total assets	1,275.8	1,854.3	1,957.8	2,185.5	2,444.4
ST interest bearing debt	129.2	123.9	123.9	123.9	123.9
Accounts payable	220.0	284.6	267.5	344.7	426.6
LT interest bearing debt	0.0	0.0	0.0	0.0	0.0
Other liabilities	374.0	455.0	474.0	493.0	511.0
Total Liabilities	723.5	864.0	865.4	961.2	1,061.7
Shareholders Equity	552.4	990.3	1,092.4	1,224.3	1,382.8
Minority Interest	0.0	0.0	0.0	0.0	0.0
Total shareholder equity	552.4	990.3	1,092.4	1,224.3	1,382.8
Total liabilities and equity	1,275.8	1,854.3	1,957.8	2,185.5	2,444.4
CASH FLOW (MYR m)					
Pretax profit	241.7	280.9	349.7	451.9	542.7
Depreciation & amortisation	103.5	123.9	145.7	195.5	209.4
Adj net interest (income)/exp	(20.1)	(25.3)	(18.0)	(28.8)	(30.9)
Change in working capital	(126.0)	(23.6)	8.6	(72.7)	(76.6)
Cash taxes paid	(56.7)	(71.9)	(94.4)	(122.1)	(146.6)
Other operating cash flow	4.1	8.2	0.0	0.0	0.0
Cash flow from operations	168.9	317.1	409.5	452.6	528.8
Capex	(77.0)	(107.8)	(393.8)	(198.0)	(198.0)
Free cash flow	91.9	209.2	15.7	254.6	330.8
Dividends paid	(150.0)	(150.4)	(153.1)	(197.9)	(237.7)
Equity raised / (purchased)	0.0	380.9	0.0	0.0	0.0
Change in Debt	120.3	(5.3)	0.0	0.0	0.0
Other invest/financing cash flow	(94.4)	(468.7)	(73.0)	(73.0)	(73.0)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	(32.2)	(34.3)	(210.4)	(16.3)	20.1

FYE 31 May	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	20.8	16.0	1.0	28.7	23.3
EBITDA growth	44.1	16.9	19.5	31.7	15.8
EBIT growth	65.0	15.8	20.3	30.7	19.3
Pretax growth	68.2	16.2	24.5	29.2	20.1
Reported net profit growth	68.9	15.7	24.5	29.2	20.1
Core net profit growth	71.0	16.8	19.7	29.2	20.1
Profitability ratios (%)					
EBITDA margin	15.3	15.4	18.2	18.7	17.5
EBIT margin	11.0	11.0	13.1	13.3	12.8
Pretax profit margin	10.1	10.1	12.4	12.5	12.1
Payout ratio	56.6	101.4	60.0	60.0	60.0
DuPont analysis					
Net profit margin (%)	7.4	7.4	9.1	9.1	8.9
Revenue/Assets (x)	1.9	1.5	1.4	1.7	1.8
Assets/Equity (x)	2.3	1.9	1.8	1.8	1.8
ROAE (%)	32.9	26.6	24.5	28.5	30.4
ROAA (%)	15.6	13.6	13.4	15.9	17.1
Liquidity & Efficiency					
Cash conversion cycle	30.2	38.1	41.5	37.1	37.8
Days receivable outstanding	6.4	9.0	11.9	11.7	11.9
Days inventory outstanding	67.4	74.5	82.4	70.9	72.2
Days payables outstanding	43.6	45.4	52.9	45.5	46.3
Dividend cover (x)	1.8	1.0	1.7	1.7	1.7
Current ratio (x)	1.3	1.8	1.4	1.5	1.6
Leverage & Expense Analysis					
Asset/Liability (x)	1.8	2.1	2.3	2.3	2.3
Net gearing (%) (incl perps)	5.3	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	5.3	net cash	net cash	net cash	net cash
Net interest cover (x)	12.2	12.3	20.4	16.7	18.5
Debt/EBITDA (x)	0.4	0.3	0.2	0.2	0.2
Capex/revenue (%)	3.2	3.9	14.0	5.5	4.4
Net debt/ (net cash)	29.0	(247.1)	(36.7)	(20.4)	(40.6)

Source: Company; Maybank IBG Research

Farm Fresh Berhad (FFB MK)

A tale of two halves

Expecting better HoH earnings in FY27E

FFB's CPG ice-cream business, and foray into regional markets will only begin to bear fruit in 2HFY27, when production capacity increases are able to match local demand. Until then, earnings momentum should remain steady with stable liquid milk consumption demand in Malaysia and manageable input cost pressures. No changes to earnings estimates. Maintain BUY with an unchanged TP of MYR2.45 (33x CY26E P/E).

Business performance update

Discussion points centred on the performance of its regional operations in Philippines, updates on the construction and completion date of its new manufacturing hub at Bandar Enstek and milk processing plant in Cambodia, capacity ramp-up for its CPG ice-creams, and overall demand trends of chilled and UHT/ambient milk in Malaysia. Management also shared their views on Australian raw milk prices, which will come into effect from 1 Jul 2026 onwards, in the new 2026/2027 milk season.

Anticipating for higher regional earnings contribution

FFB shared that incremental earnings contribution from CPG ice-cream sales and regional operations (Philippines & Cambodia) may only gradually flow through from 3QFY27 onwards, on the back of the commissioning of both its Bandar Enstek and Cambodia milk processing plants by Sep 2026, along with further market penetration into the HORECA sales channels in the Philippines. That said, higher depreciation costs will begin to kick in towards 2HFY27, potentially suppressing near-term earnings growth until its new facilities achieve a certain degree of economies of scale. Separately, FFB expects for flattish Australian raw milk prices of c.AUD9.80/kg to AUD10.00/kg in the new 2026/2027 milk season, which alleviates concerns over significant raw milk cost increases in FY27. Diesel and logistic costs increases to the group as a result of the Middle-East conflict is also manageable for now.

Maintain BUY with an unchanged TP of MYR2.45

Our TP of MYR2.45 is based on 33x CY26E P/E with dividend yields of c.1%. FY27E earnings growth of 12% YoY is based on our expectations for stable domestic consumption demand for its core liquid milk products and manageable input cost pressures from fuel/logistics given that its WMP ASPs have been hedged until Dec 2026, and Australian raw milk ASPs are expected to remain flattish in the new milk season. Group earnings should however see an uptick in 2HFY27, once new manufacturing facilities are completed, in addition to added earnings contribution from *Amelia*, an ice-cream business in Sabah, when its acquisition is completed by 2QFY27.

FYE Mar (MYR m)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue	981	1,116	1,393	1,573	1,758
EBITDA	190	228	288	311	339
Core net profit	107	128	143	161	184
Core FDEPS (sen)	5.7	6.8	7.6	8.5	9.7
Core FDEPS growth(%)	73.2	18.9	11.6	12.7	14.2
Net DPS (sen)	2.0	1.7	1.9	2.1	2.4
Core FD P/E (x)	30.7	35.5	28.5	25.3	22.2
P/BV (x)	4.7	5.7	4.5	4.0	3.5
Net dividend yield (%)	1.1	0.7	0.9	1.0	1.1
ROAE (%)	15.6	17.3	16.8	16.7	16.8
ROAA (%)	8.2	8.0	7.3	7.5	7.9
EV/EBITDA (x)	19.2	22.4	16.1	14.8	13.4
Net gearing (%) (incl perps)	46.6	65.5	59.1	48.7	38.5
Consensus net profit	-	-	148	170	190
MIBG vs. Consensus (%)	-	-	(3.5)	(5.2)	(3.2)

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BUY

Share Price	MYR 2.16
12m Price Target	MYR 2.45 (+14%)
Previous Price Target	MYR 2.45

Company Description

Farm Fresh Berhad is principally involved in rearing of dairy cows and goats, and the production, marketing and sale of dairy consumer products.

Statistics

52w high/low (MYR)	2.99/1.73
3m avg turnover (USDm)	3.8
Free float (%)	35.8
Issued shares (m)	1,858
Market capitalisation	MYR4.0B USD989M

Major shareholders:

Rainforest Capital	30.7%
Farmchoice Foods	13.8%
Agrifood Resources	11.8%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(6)	(14)	17
Relative to index (%)	(2)	(12)	6

Source: FactSet

Abbreviations

CPG: Consumer packaged goods
WMP: Whole milk powder

Link to latest report:

[XXXX](#)

FYE 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Key Metrics					
P/E (reported) (x)	29.4	32.6	28.4	25.2	22.1
Core P/E (x)	30.6	35.4	28.4	25.2	22.1
Core FD P/E (x)	30.7	35.5	28.5	25.3	22.2
P/BV (x)	4.7	5.7	4.5	4.0	3.5
P/NTA (x)	5.6	6.6	5.1	4.4	3.8
Net dividend yield (%)	1.1	0.7	0.9	1.0	1.1
FCF yield (%)	1.6	nm	2.0	3.3	3.9
EV/EBITDA (x)	19.2	22.4	16.1	14.8	13.4
EV/EBIT (x)	27.7	31.7	23.9	21.3	18.8

INCOME STATEMENT (MYR m)

Revenue	981.2	1,115.7	1,392.9	1,572.8	1,757.8
EBITDA	190.4	228.0	288.4	311.3	338.5
Depreciation	(58.2)	(65.7)	(92.9)	(94.1)	(95.2)
Amortisation	(0.3)	(1.3)	(1.3)	(1.3)	(1.3)
EBIT	131.8	161.0	194.2	215.9	242.1
Net interest income / (exp)	(16.6)	(17.4)	(28.9)	(29.8)	(29.8)
Associates & JV	0.0	(0.7)	(0.7)	(0.7)	(0.7)
Exceptionals	(0.8)	1.6	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	115.2	142.9	164.6	185.4	211.6
Income tax	(7.9)	(13.1)	(21.5)	(24.2)	(27.6)
Minorities	(0.9)	(0.2)	(0.2)	(0.2)	(0.2)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	106.4	129.6	142.9	161.0	183.8
Core net profit	107.2	128.0	142.9	161.0	183.8

BALANCE SHEET (MYR m)

Cash & Short Term Investments	58.8	171.6	191.2	259.4	343.8
Accounts receivable	206.7	319.1	398.4	449.9	502.9
Inventory	175.3	233.4	298.2	337.2	376.3
Property, Plant & Equip (net)	513.5	617.1	626.5	634.7	641.8
Intangible assets	111.1	107.8	106.5	105.2	103.9
Investment in Associates & JVs	0.0	5.8	5.1	4.4	3.7
Other assets	285.8	413.6	428.6	444.0	459.9
Total assets	1,351.2	1,868.3	2,054.5	2,234.9	2,432.4
ST interest bearing debt	91.6	287.0	287.0	287.0	287.0
Accounts payable	106.7	175.7	224.5	253.9	283.3
LT interest bearing debt	306.3	426.9	456.9	486.9	516.9
Other liabilities	118.0	151.0	151.0	151.0	151.0
Total Liabilities	622.9	1,040.9	1,119.7	1,179.1	1,238.6
Shareholders Equity	700.1	798.4	905.6	1,026.4	1,164.3
Minority Interest	28.1	28.9	29.1	29.4	29.6
Total shareholder equity	728.2	827.4	934.8	1,055.8	1,193.8
Total liabilities and equity	1,351.2	1,868.3	2,054.5	2,234.9	2,432.4

CASH FLOW (MYR m)

Pretax profit	115.2	142.9	164.6	185.4	211.6
Depreciation & amortisation	58.5	67.0	94.2	95.4	96.4
Adj net interest (income)/exp	0.0	0.0	0.0	0.0	0.0
Change in working capital	(35.8)	(101.5)	(95.4)	(61.1)	(62.6)
Cash taxes paid	(4.6)	(3.6)	(21.5)	(24.2)	(27.6)
Other operating cash flow	5.1	0.0	(4.5)	(5.0)	(5.4)
Cash flow from operations	156.1	124.1	170.2	224.5	247.7
Capex	(104.0)	(177.9)	(90.0)	(90.0)	(90.0)
Free cash flow	52.1	(53.9)	80.2	134.5	157.7
Dividends paid	(41.2)	(18.8)	(35.7)	(40.3)	(46.0)
Equity raised / (purchased)	4.4	12.6	0.0	0.0	0.0
Change in Debt	(5.1)	314.0	30.0	30.0	30.0
Other invest/financing cash flow	(4.9)	(136.9)	(54.8)	(56.1)	(57.3)
Effect of exch rate changes	(4.7)	(4.2)	0.0	0.0	0.0
Net cash flow	0.6	112.8	19.6	68.2	84.4

FYE 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Key Ratios					
Growth ratios (%)					
Revenue growth	21.1	13.7	24.8	12.9	11.8
EBITDA growth	42.2	19.8	26.5	7.9	8.8
EBIT growth	55.1	22.1	20.7	11.2	12.1
Pretax growth	66.8	24.0	15.2	12.6	14.1
Reported net profit growth	67.5	21.8	10.3	12.7	14.2
Core net profit growth	74.0	19.4	11.6	12.7	14.2
Profitability ratios (%)					
EBITDA margin	19.4	20.4	20.7	19.8	19.3
EBIT margin	13.4	14.4	13.9	13.7	13.8
Pretax profit margin	11.7	12.8	11.8	11.8	12.0
Payout ratio	35.2	25.0	25.0	25.0	25.0
DuPont analysis					
Net profit margin (%)	10.8	11.6	10.3	10.2	10.5
Revenue/Assets (x)	0.7	0.6	0.7	0.7	0.7
Assets/Equity (x)	1.9	2.3	2.3	2.2	2.1
ROAE (%)	15.6	17.3	16.8	16.7	16.8
ROAA (%)	8.2	8.0	7.3	7.5	7.9
Liquidity & Efficiency					
Cash conversion cycle	106.0	115.2	117.4	123.2	123.8
Days receivable outstanding	70.3	84.8	92.7	97.1	97.6
Days inventory outstanding	89.6	98.1	99.9	105.6	106.2
Days payables outstanding	53.9	67.8	75.2	79.5	80.0
Dividend cover (x)	2.8	4.0	4.0	4.0	4.0
Current ratio (x)	2.6	2.0	2.1	2.3	2.5
Leverage & Expense Analysis					
Asset/Liability (x)	2.2	1.8	1.8	1.9	2.0
Net gearing (%) (incl perps)	46.6	65.5	59.1	48.7	38.5
Net gearing (%) (excl. perps)	46.6	65.5	59.1	48.7	38.5
Net interest cover (x)	7.9	9.3	6.7	7.3	8.1
Debt/EBITDA (x)	2.1	3.1	2.6	2.5	2.4
Capex/revenue (%)	10.6	15.9	6.5	5.7	5.1
Net debt/ (net cash)	339.1	542.2	552.6	514.4	460.0

Source: Company; Maybank IBG Research

Foodie Media (FOODIE MK)

Hungry for more

Open to M&A opportunities

Key takeaways from Foodie Media’s discussions centred around its 4C business model, non-food channel diversification and structured KPI guarantees. Additionally, Foodie Media is exploring the possibility of acquiring in-house talents. A&P spend remains robust, with brands favouring digital marketing. Foodie Media remains open to M&A opportunities. Foodie Media currently trades at a trailing P/E of 22.3x FY25A.

Business model, non-food diversification and KPIs

Discussions centred mainly around Foodie Media’s 4C pillar business model, non-food vertical diversification, and structured KPI guarantees. Foodie Media’s 4C ecosystem, encompassing Content, Commerce, Community, and Creator, works synergistically to generate sustainable and diversified streams of income. In an effort to reach a larger target audience, Foodie Media has also successfully expanded beyond food-concentrated channels to also include channels such as “Malaysia”, “Travel Rookie Malaysia”, “Malaysia Homie” among others. Additionally, Foodie Media employs a tiered pricing mechanism bundled with specific KPI guarantees, such as views and reach, tailored to the requirements of each customer segment.

Exploring in-house talents

While Foodie Media historically engaged with content creators on a project basis as external parties, the group is also exploring the possibility of signing in-house content creators through a revenue-sharing model. Despite concerns of a general reduction in advertising & promotional spend, the group has seen continued traction, with clients reallocating budgets away from traditional marketing, in favour of digital channels. In tandem with this organic growth, Foodie Media remains open to disciplined M&A opportunities, targeting high quality assets that can be seamlessly integrated into its current network.

Trading at 22x trailing P/E

Foodie Media is currently non-rated under our coverage. The stock was listed on 28 Nov 2025. Foodie Media currently trades at a trailing P/E of 22.3x FY25A and is covered by one broker with a BUY recommendation. Consensus target price is MYR0.52.

FYE Dec (MYRm)	FY24A	FY25A
Revenue	24.0	37.1
EBITDA	10.8	14.5
Core net profit	7.5	9.3
Core EPS (sen)	1.0	1.3
Core EPS growth (%)	NA	25.0
Net DPS (sen)	NA	NA
Core P/E (x)	29.0	23.2
P/BV (x)	25.2	20.6
Net dividend yield (%)	NA	NA
ROAE (%)	86.5	97.4
ROAA (%)	106.5	56.1
EV/EBITDA (x)	20.5	15.3
Net gearing (%) (incl perps)	Net cash	Net cash

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Not Rated

Share Price

MYR 0.29

Company Description

Foodie Media Bhd. engages in the digital media publishing business segment.

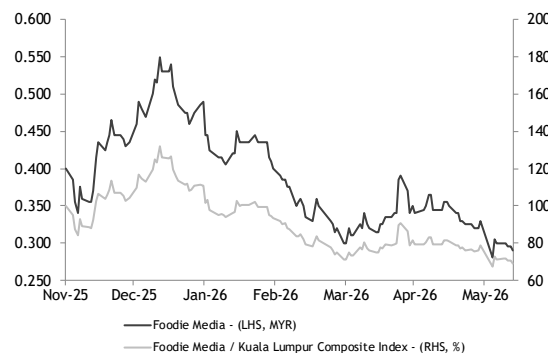
Statistics

52w high/low (MYR)	na/na
3m avg turnover (USDm)	0.2
Free float (%)	28.7
Issued shares (m)	888
Market capitalisation	MYR257.5M USD63M

Major shareholders:

LIM PINN YANG	21.9%
ANG RUI MEI	15.1%
LIM PINN JIAN	14.3%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(16)	(17)	na
Relative to index (%)	(13)	(16)	na

Source: FactSet

* based on Foodie Media’s 4Q25 Bursa announcement released on 25 Nov 2025

[Link to latest report:](#)
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Frontken Corp. Bhd (FRCB MK)

Steady demand drives growth and capacity expansion

Node advancement as structural tailwind

Frontken is looking at consecutive monthly revenue records throughout 1H26, with 2Q26 expected to improve QoQ. We continue to monitor their P4 construction outlook, 2nm/1.4nm node ramp, and any potential for an earnings-accretive acquisition. Maintain BUY and our TP at MYR5.25, based on an unchanged 43x FY27E P/E (+0.5SD of its 5Y mean).

Node advancement and capital allocation in focus

Discussion centred on advanced node demand, facility expansion, and capital deployment. Overall ASPs are trending higher as customers transition to more advanced nodes such as from 2nm and 1.4nm nodes, requiring an entirely new toolset that generally commands better ASP, while volume growth and an improving operating efficiency remains the primary margin driver. New revenue from 2nm and 1.4nm-related equipment is expected in 3Q/4Q26, one of the drivers for a new facility (P4) alongside P1 and P2 expansions. Management favours acquisitions for capital deployment, with shareholder returns as a fallback, while US expansion remains on conservative given prohibitive setup costs.

Earnings growth intact despite warrant dilution

Despite a 14% earnings dilution from warrant conversion, management continues to see that an EPS growth remains achievable on the back of stronger volume ramp. A key SG customer is also accelerating tool utilisation, with volume from a new foundry customer expected from 3Q26. Meanwhile, the O&G segment is also expected to improve YoY.

Maintain BUY and TP at MYR5.25

We keep forecasts unchanged. Maintain BUY and TP at MYR5.25, based on an unchanged 43x FY27E P/E multiple (+0.5SD above its 5Y mean). We like Frontken for its niche FE semicon exposure, as a proxy to the global AI upcycle through servicing wafer fabs producing AI chips, alongside a resilient earnings outlook. Key risks include MYR appreciation, weaker-than-expected order volumes, and customer concentration.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	569	608	785	872	972
EBITDA	213	235	300	343	381
Core net profit	131	161	193	223	249
Core EPS (sen)	7.2	8.9	10.7	12.3	13.7
Core EPS growth (%)	17.4	23.1	20.0	15.2	11.7
Net DPS (sen)	3.7	2.0	3.8	4.4	4.9
Core P/E (x)	61.9	47.1	44.6	38.7	34.6
P/BV (x)	11.2	7.3	9.1	7.9	6.9
Net dividend yield (%)	0.8	0.5	0.8	0.9	1.0
ROAE (%)	20.1	17.6	19.5	21.8	21.2
ROAA (%)	14.0	14.1	14.8	15.9	15.6
EV/EBITDA (x)	36.0	29.1	26.8	23.2	20.6
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	197	228	268
MIBG vs. Consensus (%)	-	-	(2.0)	(2.4)	(7.1)

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BUY

Share Price	MYR 4.75
12m Price Target	MYR 5.25 (+11%)
Previous Price Target	MYR 5.25

Company Description

Frontken specialises in engineering and precision cleaning services, mostly for semiconductors and O&G markets in Taiwan, Singapore and Malaysia.

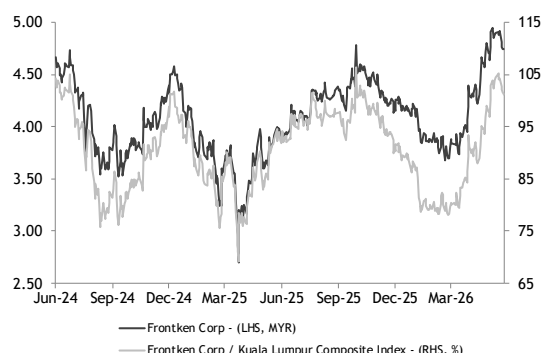
Statistics

52w high/low (MYR)	4.95/3.68
3m avg turnover (USDm)	7.0
Free float (%)	70.6
Issued shares (m)	1,594
Market capitalisation	MYR7.6B
	USD1.9B

Major shareholders:

Employees Provident Fund	17.9%
Dazzle Clean Ltd.	8.4%
Kumpulan Wang Persaraan	5.1%

Price Performance



	-1M	-3M	-12M
Absolute (%)	4	27	19
Relative to index (%)	8	29	8

Source: FactSet

[Link to latest report:](#)
[XXXX](#)

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	52.5	47.4	44.6	38.7	34.6
Core P/E (x)	61.9	47.1	44.6	38.7	34.6
P/BV (x)	11.2	7.3	9.1	7.9	6.9
P/NTA (x)	11.8	7.6	9.4	8.1	7.1
Net dividend yield (%)	0.8	0.5	0.8	0.9	1.0
FCF yield (%)	1.8	2.1	1.9	2.3	2.6
EV/EBITDA (x)	36.0	29.1	26.8	23.2	20.6
EV/EBIT (x)	39.9	32.0	29.2	25.0	22.0
INCOME STATEMENT (MYR m)					
Revenue	569.2	607.8	784.9	872.1	972.0
EBITDA	212.5	234.6	300.4	343.0	381.0
Depreciation	(20.7)	(21.5)	(24.5)	(24.5)	(24.6)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	191.9	213.2	276.0	318.6	356.4
Net interest income / (exp)	6.6	10.5	3.8	3.8	3.8
Associates & JV	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	198.4	223.7	279.7	322.3	360.2
Income tax	(47.3)	(55.2)	(66.0)	(76.1)	(85.0)
Minorities	(14.3)	(14.3)	(20.3)	(23.4)	(26.1)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	136.8	154.2	193.4	222.9	249.1
Core net profit	130.9	161.1	193.4	222.9	249.1
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	518.6	841.1	672.0	784.3	912.6
Accounts receivable	155.1	132.0	205.3	226.4	250.7
Inventory	21.2	21.7	35.4	38.9	43.7
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	226.6	238.4	326.6	376.6	426.6
Intangible assets	33.8	33.8	33.8	33.8	33.8
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	33.2	34.7	33.2	33.2	33.2
Total assets	988.5	1,301.7	1,306.3	1,493.3	1,700.6
ST interest bearing debt	0.0	0.0	0.0	0.0	0.0
Accounts payable	159.8	149.4	173.8	177.8	183.6
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	26.1	26.1	26.1	26.1	26.1
Other liabilities	30.0	36.0	79.0	103.0	128.0
Total Liabilities	215.6	211.7	278.5	307.0	337.4
Shareholders Equity	720.6	1,036.1	951.2	1,094.6	1,254.9
Minority Interest	52.3	53.9	76.6	91.6	108.4
Total shareholder equity	772.9	1,090.0	1,027.8	1,186.2	1,363.3
Total liabilities and equity	988.5	1,301.7	1,306.3	1,493.3	1,700.6
CASH FLOW (MYR m)					
Pretax profit	198.4	223.7	279.7	322.3	360.2
Depreciation & amortisation	20.7	21.5	24.5	24.5	24.6
Adj net interest (income)/exp	(6.6)	(10.5)	(3.8)	(3.8)	(3.8)
Change in working capital	0.2	10.2	(19.2)	(20.6)	(23.4)
Cash taxes paid	(40.6)	(48.9)	(66.0)	(76.1)	(85.0)
Other operating cash flow	(5.5)	6.9	0.0	0.0	0.0
Cash flow from operations	166.6	202.9	215.2	246.4	272.6
Capex	(24.8)	(42.7)	(50.0)	(50.0)	(50.0)
Free cash flow	141.8	160.2	165.2	196.4	222.6
Dividends paid	(69.2)	(67.4)	(76.2)	(87.8)	(98.2)
Equity raised / (purchased)	37.2	272.0	0.0	0.0	0.0
Change in Debt	(0.0)	(3.5)	0.0	0.0	0.0
Other invest/financing cash flow	24.1	(257.8)	3.8	3.8	3.8
Effect of exch rate changes	(30.7)	(38.4)	0.0	0.0	0.0
Net cash flow	103.2	65.1	92.8	112.3	128.2

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	13.8	6.8	29.1	11.1	11.5
EBITDA growth	15.6	10.4	28.0	14.2	11.1
EBIT growth	17.3	11.1	29.4	15.4	11.9
Pretax growth	18.8	12.7	25.1	15.2	11.7
Reported net profit growth	22.2	12.7	25.5	15.2	11.7
Core net profit growth	17.4	23.1	20.0	15.2	11.7
Profitability ratios (%)					
EBITDA margin	37.3	38.6	38.3	39.3	39.2
EBIT margin	33.7	35.1	35.2	36.5	36.7
Pretax profit margin	34.9	36.8	35.6	37.0	37.1
Payout ratio	49.1	23.5	35.7	35.7	35.7
DuPont analysis					
Net profit margin (%)	24.0	25.4	24.6	25.6	25.6
Revenue/Assets (x)	0.6	0.5	0.6	0.6	0.6
Assets/Equity (x)	1.4	1.3	1.4	1.4	1.4
ROAE (%)	20.1	17.6	19.5	21.8	21.2
ROAA (%)	14.0	14.1	14.8	15.9	15.6
Liquidity & Efficiency					
Cash conversion cycle	(59.0)	(71.4)	(32.5)	(15.3)	(4.9)
Days receivable outstanding	92.0	85.0	77.3	89.1	88.4
Days inventory outstanding	25.4	25.2	23.6	28.0	27.6
Days payables outstanding	176.5	181.6	133.5	132.4	121.0
Dividend cover (x)	2.0	4.2	2.8	2.8	2.8
Current ratio (x)	3.7	5.4	3.6	3.8	3.9
Leverage & Expense Analysis					
Asset/Liability (x)	4.6	6.1	4.7	4.9	5.0
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	na	na	na	na	na
Debt/EBITDA (x)	0.1	0.1	0.1	0.1	0.1
Capex/revenue (%)	4.4	7.0	6.4	5.7	5.1
Net debt/ (net cash)	(492.4)	(815.1)	(645.9)	(758.2)	(886.4)

Source: Company; Maybank IBG Research

Gamuda (GAM MK)

Record high orderbook to drive stronger earnings growth ahead

Tepid FY7/26E earnings an aberration

GAM's meeting highlighted its MYR52.3b orderbook, Australia growth, RE push, strong data centre demand, and slower Silicon Island reclamation from high diesel costs. FY7/26E net profit growth is guided at 0-5% but FY7/27E-FY7/28E net profit growth should improve, led by construction then property. Catalysts are data centres, Australia RE/rail, Taiwan rail, water awards and RE assets ownership. We maintain our BUY call and MYR5.00 SOTP-TP on 29% 3-year earnings CAGR (17% ex-London Wall).

Keeping MYR50b orderbook target

GAM's investor meetings centred on the strength of its MYR52.3b orderbook, its ambition to sustain that scale, and Australia's growing role as its key overseas market. Other major themes included its push into renewable energy (RE), strong data centre demand, slower Silicon Island reclamation due to high diesel costs, and a property strategy focused on Vietnam, selective new landbanks, UK purpose-built student accommodation and 75 London Wall.

Net profit to ramp up next FY

GAM guides for muted FY7/26E net profit growth of 0-5%, despite double-digit revenue growth, as construction earnings recognition lags and property sales remain soft. Net profit growth should strengthen in FY7/27E-FY7/28E, driven first by construction then property from FY7/28E. Key catalysts are data centre wins, Australia RE projects, Australia and Taiwan rail opportunities, local water awards and progress in recurring RE assets.

Maintain BUY call and MYR5.00 SOTP-TP

We value GAM's engineering and construction operations at 20x FY7/27E P/E or 1.5 SD above the 10-year 12M forward P/E mean of 15x. For property, we discount future profits at 8% WACC and adjust it for shareholding. The above returns SOTP-TP of MYR5.00. We maintain our BUY call on GAM thanks to its strong construction outlook. We forecast robust 3-year forward net profit CAGR of 29% (17% if excluding the one-off sale of 75 London Wall in FY7/28E).

FYE Jul (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	13,347	15,970	16,390	21,817	28,012
EBITDA	957	1,371	1,581	1,890	2,396
Core net profit	912	1,003	1,053	1,236	2,133
Core FDEPS (sen)	16.2	17.1	16.9	19.8	34.1
Core FDEPS growth(%)	7.1	5.8	(1.7)	17.4	72.5
Net DPS (sen)	8.0	10.0	10.0	12.0	20.0
Core FD P/E (x)	24.2	30.2	25.3	21.5	12.5
P/BV (x)	1.9	2.5	2.0	2.0	1.8
Net dividend yield (%)	2.0	1.9	2.3	2.8	4.7
ROAE (%)	8.2	8.6	8.6	9.7	15.9
ROAA (%)	3.6	3.5	3.4	3.8	6.0
EV/EBITDA (x)	28.3	26.7	20.1	17.0	13.4
Net gearing (%) (incl perps)	44.3	55.9	47.6	47.8	44.1
Consensus net profit	-	-	1,056	1,377	1,798
MIBG vs. Consensus (%)	-	-	(0.3)	(10.2)	18.6

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BUY

Share Price	MYR 4.26
12m Price Target	MYR 5.00 (+20%)
Previous Price Target	MYR 5.00

Company Description

Gamuda engages in engineering and construction, property development and water operations and maintenance.

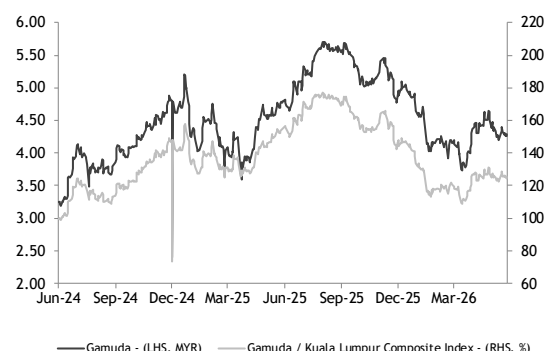
Statistics

52w high/low (MYR)	5.70/3.73
3m avg turnover (USDm)	17.2
Free float (%)	68.4
Issued shares (m)	5,963
Market capitalisation	MYR25.4B USD6.3B

Major shareholders:

Employees Provident Fund	20.6%
RAJA AZLAN SHAH ELEENA	3.9%
AIA Bhd.	3.6%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(6)	1	(11)
Relative to index (%)	(2)	3	(19)

Source: FactSet

FYE 31 Jul	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	15.7	24.7	24.1	20.5	11.9
Core P/E (x)	23.6	29.4	24.1	20.5	11.9
Core FD P/E (x)	24.2	30.2	25.3	21.5	12.5
P/BV (x)	1.9	2.5	2.0	2.0	1.8
P/NTA (x)	2.1	2.9	2.4	2.4	2.3
Net dividend yield (%)	2.0	1.9	2.3	2.8	4.7
FCF yield (%)	nm	nm	7.0	3.3	6.5
EV/EBITDA (x)	28.3	26.7	20.1	17.0	13.4
EV/EBIT (x)	34.1	31.1	23.1	19.7	15.4

INCOME STATEMENT (MYR m)

Revenue	13,346.7	15,970.2	16,389.9	21,816.8	28,012.2
EBITDA	956.8	1,370.7	1,580.7	1,890.1	2,395.6
EBIT	791.7	1,176.3	1,375.5	1,630.1	2,077.3
Net interest income / (exp)	(19.2)	(40.7)	(67.1)	(73.8)	(80.5)
Associates & JV	325.6	145.3	67.2	57.3	614.3
Exceptionals	0.0	0.0	0.0	0.0	0.0
Pretax profit	1,098.1	1,281.0	1,375.6	1,613.6	2,611.1
Income tax	(155.1)	(256.6)	(299.8)	(346.6)	(436.6)
Minorities	(30.9)	(21.1)	(22.9)	(30.6)	(42.0)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	912.1	1,003.2	1,052.8	1,236.4	2,132.5
Core net profit	912.1	1,003.2	1,052.8	1,236.4	2,132.5

BALANCE SHEET (MYR m)

Cash & Short Term Investments	2,700.3	3,357.1	4,472.3	4,519.2	4,909.4
Accounts receivable	3,118.6	3,325.1	3,325.1	3,325.1	3,325.1
Inventory	612.6	771.1	771.1	771.1	771.1
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	1,620.3	1,563.0	1,657.8	1,697.9	1,679.6
Intangible assets	1,038.7	1,724.1	2,058.9	2,393.7	2,728.5
Investment in Associates & JVs	1,890.3	2,217.8	2,285.0	2,342.4	2,956.6
Other assets	15,677.0	17,310.7	17,238.5	18,922.1	20,651.6
Total assets	26,657.8	30,269.1	31,808.9	33,971.5	37,022.0
ST interest bearing debt	1,242.0	2,906.4	2,906.4	2,906.4	2,906.4
Accounts payable	4,939.5	5,681.8	5,681.8	5,681.8	5,681.8
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	6,564.6	7,223.8	7,558.6	7,893.4	8,228.2
Other liabilities	2,390.0	2,339.0	3,065.0	4,341.0	6,075.0
Total Liabilities	15,135.7	18,151.1	19,211.5	20,822.7	22,891.3
Shareholders Equity	11,365.1	11,987.4	12,444.0	12,964.8	13,904.7
Minority Interest	156.9	130.5	153.4	184.0	226.0
Total shareholder equity	11,522.1	12,117.9	12,597.3	13,148.8	14,130.7
Total liabilities and equity	26,657.8	30,269.1	31,808.9	33,971.5	37,022.0

CASH FLOW (MYR m)

Pretax profit	1,098.1	1,281.0	1,375.6	1,613.6	2,611.1
Depreciation & amortisation	165.1	194.4	205.2	260.0	318.2
Adj net interest (income)/exp	(69.7)	(37.7)	67.1	73.8	80.5
Change in working capital	(544.1)	(1,070.0)	768.2	(439.2)	(57.3)
Cash taxes paid	(223.5)	(335.9)	(270.3)	(314.6)	(375.0)
Other operating cash flow	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	141.0	(78.5)	2,078.7	1,136.2	1,963.3
Capex	(1,400.6)	(660.1)	(300.0)	(300.0)	(300.0)
Free cash flow	(1,259.6)	(738.6)	1,778.7	836.2	1,663.3
Dividends paid	(74.1)	(153.8)	(596.3)	(715.6)	(1,192.6)
Equity raised / (purchased)	146.3	195.2	0.0	0.0	0.0
Change in Debt	846.3	2,495.9	334.8	334.8	334.8
Other invest/financing cash flow	141.5	(969.4)	(401.9)	(408.6)	(415.3)
Effect of exch rate changes	(33.7)	(160.4)	0.0	0.0	0.0
Net cash flow	(233.2)	668.8	1,115.2	46.9	390.2

FYE 31 Jul	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	62.4	19.7	2.6	33.1	28.4
EBITDA growth	10.2	43.3	15.3	19.6	26.7
EBIT growth	5.9	48.6	16.9	18.5	27.4
Pretax growth	3.8	16.7	7.4	17.3	61.8
Reported net profit growth	36.1	10.0	4.9	17.4	72.5
Core net profit growth	12.0	10.0	4.9	17.4	72.5
Profitability ratios (%)					
EBITDA margin	7.2	8.6	9.6	8.7	8.6
EBIT margin	5.9	7.4	8.4	7.5	7.4
Pretax profit margin	8.2	8.0	8.4	7.4	9.3
Payout ratio	48.0	56.8	56.6	57.9	55.9
DuPont analysis					
Net profit margin (%)	6.8	6.3	6.4	5.7	7.6
Revenue/Assets (x)	0.5	0.5	0.5	0.6	0.8
Assets/Equity (x)	2.3	2.5	2.6	2.6	2.7
ROAE (%)	8.2	8.6	8.6	9.7	15.9
ROAA (%)	3.6	3.5	3.4	3.8	6.0
Liquidity & Efficiency					
Cash conversion cycle	(25.8)	(41.3)	(46.3)	(33.8)	(26.3)
Days receivable outstanding	81.5	72.6	73.0	54.9	42.7
Days inventory outstanding	19.3	17.1	18.7	13.9	10.8
Days payables outstanding	126.5	131.0	138.1	102.6	79.8
Dividend cover (x)	2.1	1.8	1.8	1.7	1.8
Current ratio (x)	2.1	1.9	1.8	1.8	1.7
Leverage & Expense Analysis					
Asset/Liability (x)	1.8	1.7	1.7	1.6	1.6
Net gearing (%) (incl perps)	44.3	55.9	47.6	47.8	44.1
Net gearing (%) (excl. perps)	44.3	55.9	47.6	47.8	44.1
Net interest cover (x)	41.2	28.9	20.5	22.1	25.8
Debt/EBITDA (x)	8.2	7.4	6.6	5.7	4.6
Capex/revenue (%)	10.5	4.1	1.8	1.4	1.1
Net debt/ (net cash)	5,106.2	6,773.1	5,992.7	6,280.7	6,225.3

Source: Company; Maybank IBG Research

Hong Leong Bank (HLBK MK)

Accelerating domestic growth

BUY

Share Price MYR 21.34
 12m Price Target MYR 25.00 (+22%)
 Previous Price Target MYR 25.00

Balancing earnings growth deliveries

Hong Leong Bank's (HLBK) fundamentals remain impeccable. One of the challenges now is to ensure that domestic earnings expand at a faster rate to supplant contributions from Bank of Chengdu (BOCD). We would not rule out capital management plans in the near future. Our forecasts are maintained as is our BUY call and GGM-derived TP of MYR25.00.

Looking to reduce reliance on BOCD

17.8%-owned Bank of Chengdu (BOCD) currently accounts for ~26% of HLBK's pretax profit, with an ROE of 15-16%. Ex-BOCD, HLBK's ROE would be ~10.5% (11% in 9MFY26) and the task ahead is to enhance contributions from the group's domestic operations. Paring of its stake in BOCD is still in the pipeline while domestically, the focus is to raise its CASA ratio to 35% (from 32% end-Mar 2026), drive NOI growth and to further lower its cost/income ratio (37.2% in 9MFY26). Moreover, its very liquid balance sheet, with a loan/deposit ratio of just 88%, affords it the ability to leverage up its balance sheet for better margins and asset growth.

Capital management in the pipeline

Basel III reform is expected to enhance the group's CET1 ratio (12.4% end-Mar 2026) by about 60bps come 1st July. Moreover, the paring of its stake in BOCD could free up some capital. HLBK's dividend payout presently averages ~46% annually (~60% excluding BOCD's earnings).

Forecasts maintained

Our forecasts are maintained and our FY26E ROE estimate of 11% trails management's FY26 ROE target of 11.5-12%. We maintain our GGM-derived TP of 25.00 (CY26 PBV: 1.22x. COE: 9.9%. CY26E ROE: 11%, LT growth: 4%).

Company Description

Hong Leong Bank offers integrated financial services and is predominantly a retail bank. It also holds a 17.8% stake in Bank of Chengdu, China.

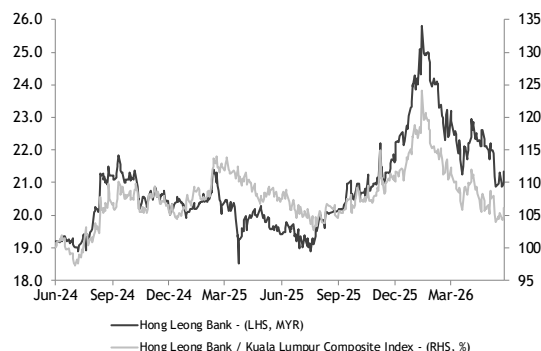
Statistics

52w high/low (MYR)	25.80/18.90
3m avg turnover (USDm)	7.7
Free float (%)	216,771.9
Issued shares (m)	2,168
Market capitalisation	MYR46.3B
	USD11.4B

Major shareholders:

Hong Leong Financial Group Bhd.	62.0%
Employees Provident Fund	9.2%
Hong Leong Bank Bhd.	3.7%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(3)	(8)	9
Relative to index (%)	0	(7)	(1)

Source: FactSet

FYE Jun (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Operating income	5,771	6,398	6,637	6,990	7,374
Pre-provision profit	3,432	3,919	4,172	4,431	4,717
Core net profit	4,196	4,273	4,469	4,696	4,977
Core EPS (MYR)	2.05	2.09	2.18	2.29	2.43
Core EPS growth (%)	8.6	1.8	4.5	5.1	6.0
Net DPS (MYR)	0.68	0.96	1.00	1.05	1.12
Core P/E (x)	9.4	9.4	9.8	9.3	8.8
P/BV (x)	1.1	1.1	1.1	1.1	1.0
Net dividend yield (%)	3.5	4.9	4.7	4.9	5.2
Book value (MYR)	17.20	18.12	19.14	20.31	21.57
ROAE (%)	11.8	11.2	11.1	11.0	11.0
ROAA (%)	1.5	1.4	1.4	1.4	1.4
Consensus net profit	-	-	4,465	4,702	4,999
MIBG vs. Consensus (%)	-	-	0.1	(0.1)	(0.4)

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FYE 30 Jun	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
Core P/E (x)	9.4	9.4	9.8	9.3	8.8
Core FD P/E (x)	9.4	9.4	9.8	9.3	8.8
P/BV (x)	1.1	1.1	1.1	1.1	1.0
P/NTA (x)	1.1	1.1	1.1	1.0	1.0
Net dividend yield (%)	3.5	4.9	4.7	4.9	5.2

INCOME STATEMENT (MYR m)

Interest income	8,783.2	8,889.0	10,546.8	11,095.5	11,720.9
Interest expense	(4,961.4)	(4,901.5)	(6,379.9)	(6,650.0)	(6,967.3)
Net interest income	3,821.8	3,987.5	4,166.9	4,445.5	4,753.6
Islamic banking income	985.9	1,159.8	1,194.6	1,230.5	1,267.4
Net insurance income	0.0	0.0	0.0	0.0	0.0
Net fees and commission	679.6	719.5	733.9	748.6	763.6
Other income	283.7	531.2	541.8	565.4	589.8
Total non-interest income	963.3	1,250.7	1,275.7	1,314.0	1,353.4
Operating income	5,771.0	6,398.0	6,637.2	6,989.9	7,374.3
Staff costs	(1,284.4)	(1,333.1)	(1,359.7)	(1,386.9)	(1,414.7)
Other operating expenses	(1,054.4)	(1,146.1)	(1,105.9)	(1,171.7)	(1,242.8)
Operating expenses	(2,338.9)	(2,479.2)	(2,465.6)	(2,558.6)	(2,657.4)
Pre-provision profit	3,432.1	3,918.8	4,171.5	4,431.3	4,716.9
Loan impairment allowances	114.3	383.3	(149.3)	(164.9)	(177.3)
Other allowances	(1.1)	0.3	0.0	0.0	0.0
Associates & JV income	1,588.9	1,057.9	1,411.6	1,454.0	1,526.7
Pretax profit	5,134.2	5,360.3	5,433.9	5,720.4	6,066.3
Income tax	(938.0)	(1,086.9)	(965.3)	(1,023.9)	(1,089.5)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	4,196.2	4,273.4	4,468.5	4,696.4	4,976.8
Core net profit	4,196.2	4,273.4	4,468.5	4,696.4	4,976.8

BALANCE SHEET (MYR m)

Cash & deposits with banks	6,451.7	13,240.4	11,347.0	11,447.4	11,550.8
Sec. under resale agreements	0.0	0.0	0.0	0.0	0.0
Derivatives financial assets	1,362.7	2,258.5	2,371.4	2,490.0	2,614.5
Dealing securities	3,415.2	7,990.8	8,150.6	9,373.2	10,779.2
Available-for-sale securities	72,251.4	64,032.7	68,643.1	73,585.4	78,883.5
Investment securities	0.0	0.0	0.0	0.0	0.0
Loans & advances	193,304.5	208,964.6	219,121.2	228,981.6	240,430.7
Central bank deposits	3,214.5	2,027.7	3,928.2	4,106.5	4,312.8
Investment in associates/JVs	9,639.4	9,210.6	10,269.4	11,359.8	12,504.8
Insurance assets	0.0	0.0	0.0	0.0	0.0
Fixed assets	1,347.8	1,288.3	1,314.1	1,340.3	1,367.2
Intangible assets	1,999.0	1,987.7	1,987.7	1,987.7	1,987.7
Other assets	4,803.0	3,616.8	4,153.9	3,010.5	2,033.2
Total assets	297,789.1	314,618.1	331,286.5	347,682.4	366,464.4
Deposits from customers	222,599.3	241,195.1	254,792.1	266,257.7	279,570.6
Deposits from banks & FIs	11,370.9	9,935.8	10,432.5	10,954.2	11,501.9
Derivatives financial instruments	0.0	0.0	0.0	0.0	0.0
Subordinated debt	1,500.5	1,901.5	1,901.5	1,901.5	1,901.5
Other securities in issue	2,268.6	2,521.3	2,521.3	2,521.3	2,521.3
Other borrowings	9,995.0	6,684.6	7,989.5	9,555.4	11,434.5
Insurance liabilities	0.0	0.0	0.0	0.0	0.0
Other liabilities	12,760.6	13,093.0	12,162.1	12,458.4	12,776.5
Total liabilities	260,495.0	275,331.1	289,799.0	303,648.5	319,706.3
Share capital	7,739.1	7,739.1	7,739.1	7,739.1	7,739.1
Reserves	29,555.0	31,547.9	33,748.4	36,294.8	39,019.1
Shareholders' funds	37,294.1	39,287.0	41,487.5	44,033.9	46,758.1
Preference shares	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Total equity	37,294.1	39,287.0	41,487.5	44,033.9	46,758.1
Total liabilities & equity	297,789.1	314,618.1	331,286.5	347,682.4	366,464.4

FYE 30 Jun	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth (%)					
Net interest income	3.7	4.3	4.5	6.7	6.9
Non-interest income	(7.2)	29.8	2.0	3.0	3.0
Operating expenses	4.7	6.0	(0.5)	3.8	3.9
Pre-provision profit	(0.6)	14.2	6.4	6.2	6.4
Core net profit	8.6	1.8	4.6	5.1	6.0
Gross loans	7.3	7.8	5.1	4.5	5.0
Customer deposits	4.1	8.4	5.6	4.5	5.0
Total assets	6.4	5.7	5.3	4.9	5.4
Profitability (%)					
Non-int. income/Total income	16.7	19.5	19.2	18.8	18.4
Average lending yields	3.35	3.19	3.50	3.50	3.50
Average cost of funds	2.17	2.03	2.43	2.41	2.41
Net interest margin	1.86	1.90	1.83	1.84	1.85
Cost/income	40.5	38.7	37.1	36.6	36.0
Liquidity (%)					
Loans/customer deposits	86.8	86.6	86.0	86.0	86.0
Asset quality (%)					
Net NPL	0.3	0.4	0.4	0.4	0.4
Gross NPL	0.5	0.5	0.5	0.5	0.5
(SP+GP)/average gross loans	(0.1)	(0.2)	0.1	0.1	0.1
Loan loss coverage	155.0	96.8	150.0	150.0	150.0
Capital adequacy (%)					
CET1	13.9	14.0	12.6	12.6	13.0
Tier 1 capital	14.8	14.9	13.3	13.2	13.6
Risk-weighted capital	16.8	17.1	15.4	15.1	15.4
Returns (%)					
ROAE	11.8	11.2	11.1	11.0	11.0
ROAA	1.5	1.4	1.4	1.4	1.4
Shareholders equity/assets	12.5	12.5	12.5	12.7	12.8

Source: Company; Maybank IBG Research

IHH Healthcare (IHH MK)

Diversified resilience in play

Well positioned for growth

IHH remains well positioned for sustainable growth, underpinned by resilient medical tourism across key geographies, accelerating expansion in Malaysia, operational pick up in Singapore, improvements in India and resilient operational growth in Turkiye. Despite a seasonal weak 1Q, typical for hospitals, Singapore operations in particular, should normalise over the next 3-4 quarters while Malaysia and India remain key growth drivers. Maintain BUY with unchanged forecasts and SOTP-TP of MYR11.17.

Operational pick up across geographies

Questions on Malaysia were on preparation for DRG and MHIT base products (expected by July 2026), and medical tourism impact with ongoing geopolitical issues as well as Rupiah weakness as most foreign patients are from Indonesia. Management also articulated plans on expanding daycare services and ACCs over the next 18-24 months. Discussions on Singapore were on its operational pick up post renovation in 2025 and challenges faced by insurer-driven patient migration towards public hospitals. Introduction of new fixed-price packages are expected to gradually support volume recovery. India operations are expected to propel ahead as the Fortis-Gleneagles India integration progresses over the next 3-4 quarters under the Fortis branding. Concerns on Turkiye's operations were alleviated with management alluding to sustainable patient inflows as its hospitals mainly cater to the premium segment.

Sequential improvements ahead

Malaysia and India were highlighted as attractive growth market while Turkiye is expected to perform strongly despite macro and geopolitical headwinds. Meanwhile, Singapore operational recovery should be visible in coming quarters. Within the group, strategies on group procurement integration should extend cost savings across equipment, consumables and pharmacy products. For financials, management focuses on absolute earnings growth rather than headline margin expansion as better productivity should allow for efficient pricing and higher patient volumes

Maintain BUY with unchanged SOTP-TP of MYR11.17

We make no changes to our forecasts and SOTP-TP of MYR11.17, implying a 13x FY27E EV/EBITDA. We continue to like IHH for its strong case-mix intensity and diversified geographical exposure. Maintain BUY. Key risks lies in the continued strengthening of MYR against SGD/IDR/TRL weighed on translated earnings, masking the actual pace of growth in reported operational numbers.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	24,383	25,745	29,429	32,731	36,414
EBITDA	5,439	5,618	6,492	7,466	8,541
Core net profit	2,193	2,267	2,457	3,090	3,811
Core EPS (sen)	24.9	25.7	27.8	35.0	43.2
Core EPS growth (%)	13.3	3.1	8.4	25.8	23.4
Net DPS (sen)	10.0	10.5	12.5	14.0	15.5
Core P/E (x)	29.3	34.1	31.6	25.1	20.3
P/BV (x)	2.1	2.5	2.4	2.3	2.1
Net dividend yield (%)	1.4	1.2	1.4	1.6	1.8
ROAE (%)	9.0	7.0	7.9	9.4	10.9
ROAA (%)	4.1	4.0	4.2	5.1	5.9
EV/EBITDA (x)	13.9	15.9	13.7	11.8	10.1
Net gearing (%) (incl perps)	39.1	40.9	36.9	30.7	22.7
Consensus net profit	-	-	2,254	2,490	3,019
MIBG vs. Consensus (%)	-	-	9.0	24.1	26.3

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BUY

Share Price	MYR 8.78
12m Price Target	MYR 11.17 (+34%)
Previous Price Target	MYR 11.17

Company Description

IHH Healthcare is an investment holding company, which engages in the provision of healthcare services.

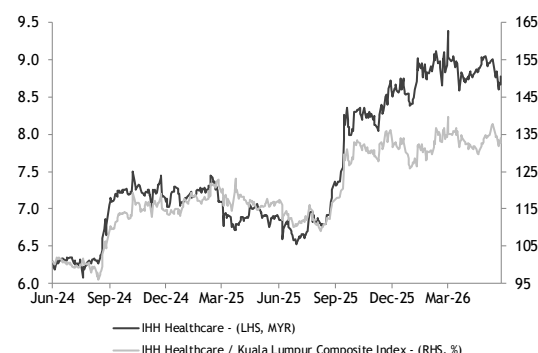
Statistics

52w high/low (MYR)	9.39/6.52
3m avg turnover (USDm)	17.3
Free float (%)	22.1
Issued shares (m)	8,836
Market capitalisation	MYR77.6B
	USD19.1B

Major shareholders:

Mitsui & Co., Ltd.	32.7%
Khazanah Nasional Bhd. (Investment Compa	25.9%
Employees Provident Fund	13.5%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(3)	(4)	27
Relative to index (%)	1	(2)	15

Source: FactSet

Abbreviations

DRG - Diagnosis-related groups
MHIT - Malaysia Health Insurance and Takaful Initiative
ACC - Ambulatory care centres

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	21.6	30.8	31.6	25.1	20.3
Core P/E (x)	29.3	34.1	31.6	25.1	20.3
P/BV (x)	2.1	2.5	2.4	2.3	2.1
P/NTA (x)	6.3	7.1	6.3	5.4	4.5
Net dividend yield (%)	1.4	1.2	1.4	1.6	1.8
FCF yield (%)	1.6	2.5	3.7	4.8	5.9
EV/EBITDA (x)	13.9	15.9	13.7	11.8	10.1
EV/EBIT (x)	22.0	25.6	21.2	17.5	14.4
INCOME STATEMENT (MYR m)					
Revenue	24,383.0	25,745.0	29,428.8	32,730.9	36,414.3
EBITDA	5,439.0	5,618.0	6,492.4	7,466.1	8,540.8
Depreciation	(1,681.0)	(1,858.0)	(1,977.4)	(2,059.3)	(2,141.3)
Amortisation	(53.0)	(53.0)	(53.0)	(53.0)	(53.0)
EBIT	3,705.0	3,707.0	4,462.0	5,353.8	6,346.6
Net interest income / (exp)	(792.0)	(886.0)	(909.6)	(886.9)	(864.2)
Associates & JV	29.0	32.0	32.0	32.0	32.0
Exceptionals	814.0	575.0	0.0	0.0	0.0
Pretax profit	3,756.0	3,428.0	3,584.4	4,498.9	5,514.4
Income tax	(594.0)	(821.0)	(716.9)	(899.8)	(1,102.9)
Minorities	(505.0)	(506.0)	(410.8)	(509.3)	(600.0)
Reported net profit	2,657.0	2,101.0	2,456.7	3,089.8	3,811.5
Core net profit	2,193.0	2,267.0	2,456.7	3,089.8	3,811.5
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	1,510.0	1,595.0	2,133.6	3,464.4	5,609.2
Accounts receivable	3,598.0	3,365.0	3,846.5	4,278.1	4,759.5
Inventory	681.0	719.0	819.4	902.5	995.7
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	16,229.0	17,665.0	19,168.7	20,610.3	21,990.0
Intangible assets	19,913.0	19,490.0	19,437.0	19,384.0	19,331.0
Investment in Associates & JVs	154.0	182.0	182.0	182.0	182.0
Other assets	14,674.0	14,601.0	14,120.0	13,619.0	13,098.1
Total assets	56,759.0	57,617.0	59,707.0	62,440.3	65,965.5
ST interest bearing debt	3,886.0	5,850.0	5,850.0	5,850.0	5,850.0
Accounts payable	5,128.0	4,939.0	5,628.4	6,199.8	6,839.9
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	10,894.0	9,689.0	9,489.0	9,289.0	9,089.0
Other liabilities	2,943.0	3,038.0	2,992.0	3,073.0	3,163.0
Total Liabilities	22,851.0	23,516.0	23,959.4	24,411.6	24,941.5
Shareholders Equity	30,140.0	30,303.0	31,746.3	33,756.6	36,422.4
Minority Interest	3,768.0	3,798.0	4,001.3	4,272.1	4,601.5
Total shareholder equity	33,908.0	34,101.0	35,747.7	38,028.7	41,023.9
Total liabilities and equity	56,759.0	57,617.0	59,707.0	62,440.3	65,965.5
CASH FLOW (MYR m)					
Pretax profit	3,756.0	3,428.0	3,584.4	4,498.9	5,514.4
Depreciation & amortisation	1,734.0	1,911.0	2,030.4	2,112.3	2,194.3
Adj net interest (income)/exp	792.0	886.0	909.6	886.9	864.2
Change in working capital	(715.0)	414.0	107.6	56.6	65.5
Cash taxes paid	(623.0)	(659.0)	(762.9)	(818.9)	(1,013.1)
Other operating cash flow	(659.0)	(406.0)	(32.0)	(32.0)	(32.0)
Cash flow from operations	4,285.0	5,574.0	5,837.0	6,703.8	7,593.3
Capex	(3,239.0)	(3,677.0)	(3,000.0)	(3,000.0)	(3,000.0)
Free cash flow	1,046.0	1,897.0	2,837.0	3,703.8	4,593.3
Dividends paid	(881.0)	(927.0)	(1,013.3)	(1,079.5)	(1,145.7)
Equity raised / (purchased)	38.0	136.0	0.0	0.0	0.0
Change in Debt	4,419.0	560.0	(381.5)	(410.7)	(388.0)
Other invest/financing cash flow	(5,551.0)	(1,461.0)	(851.7)	(882.7)	(914.8)
Effect of exch rate changes	55.0	(89.0)	0.0	0.0	0.0
Net cash flow	(874.0)	116.0	590.6	1,330.8	2,144.8

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	16.5	5.6	14.3	11.2	11.3
EBITDA growth	17.1	3.3	15.6	15.0	14.4
EBIT growth	18.3	0.1	20.4	20.0	18.5
Pretax growth	(7.2)	(8.7)	4.6	25.5	22.6
Reported net profit growth	(10.0)	(20.9)	16.9	25.8	23.4
Core net profit growth	13.3	3.4	8.4	25.8	23.4
Profitability ratios (%)					
EBITDA margin	22.3	21.8	22.1	22.8	23.5
EBIT margin	15.2	14.4	15.2	16.4	17.4
Pretax profit margin	15.4	13.3	12.2	13.7	15.1
Payout ratio	33.2	44.1	44.9	40.0	35.9
DuPont analysis					
Net profit margin (%)	10.9	8.2	8.3	9.4	10.5
Revenue/Assets (x)	0.4	0.4	0.5	0.5	0.6
Assets/Equity (x)	1.9	1.9	1.9	1.8	1.8
ROAE (%)	9.0	7.0	7.9	9.4	10.9
ROAA (%)	4.1	4.0	4.2	5.1	5.9
Liquidity & Efficiency					
Cash conversion cycle	(33.9)	(28.8)	(26.7)	(27.3)	(27.3)
Days receivable outstanding	49.3	48.7	44.1	44.7	44.7
Days inventory outstanding	12.6	12.5	12.1	12.3	12.3
Days payables outstanding	95.8	90.0	82.9	84.3	84.2
Dividend cover (x)	3.0	2.3	2.2	2.5	2.8
Current ratio (x)	0.7	0.6	0.6	0.8	0.9
Leverage & Expense Analysis					
Asset/Liability (x)	2.5	2.5	2.5	2.6	2.6
Net gearing (%) (incl perps)	39.1	40.9	36.9	30.7	22.7
Net gearing (%) (excl. perps)	39.1	40.9	36.9	30.7	22.7
Net interest cover (x)	4.7	4.2	4.9	6.0	7.3
Debt/EBITDA (x)	2.7	2.8	2.4	2.0	1.7
Capex/revenue (%)	13.3	14.3	10.2	9.2	8.2
Net debt/ (net cash)	13,270.0	13,944.0	13,205.4	11,674.6	9,329.8

Source: Company; Maybank IBG Research

IJM Corporation (IJM MK)

Risk-reward profile in favour of reward, in our view

All eyes on MYR3.0b “value up” plan

IJM’s meetings centred on its MYR3.0b “value up” plan, comprising treasury shares distribution, listing its Malaysia and Singapore construction arm, partial monetisation of Malaysian toll roads and exit from India. Earnings should recover as forex losses and India drags fade, while Kuantan Port rebounds and construction/building materials stay resilient on data centres, industrial and warehouse jobs. We value IJM via SOTP with restructuring upside potentially lifting TP to MYR3.10-MYR3.37.

Striving to be leaner and meaner

IJM’s investor meetings centred on its “value up” plan, including a MYR3.0b shareholder return which comprises treasury shares distribution, proposed listing of its Malaysia and Singapore construction arm, partial monetisation of Malaysian toll roads and exit from India. Other key themes were reducing its large landbank exposure, shifting to faster turnaround properties, Kuantan Port’s longer-term value, building materials capacity and managing construction cost risks.

Worst is likely behind it

IJM’s earnings should recover as one off items fade (namely foreign exchange losses), India losses are gradually removed, and Kuantan Port throughput rebounds after Alliance Steel’s blast furnace maintenance. Construction remains the main near term earnings driver, supported by data centres, industrial buildings, warehouses and Singapore opportunities. Building materials should stay resilient on strong spun pile demand and added capacity from its new automated Bestari Jaya plant.

Maintain BUY call and MYR2.94 SOTP-TP

We value construction and industry at 16x FY3/27E P/E, property at a 70% discount to RNAV, highways mainly via equity DCF at 8.6% cost of equity, West Coast Expressway at 0.7x P/BV and Kuantan Port via equity DCF at 10.5% cost of equity. Corporate restructuring could add upside to its equity value, in our view. Exiting India may lift our SOTP-TP to MYR3.10, while listing Malaysia and Singapore construction at 20x FY3/27E P/E could raise it to MYR3.37 ([link](#)).

FYE Mar (MYR m)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue	6,252	6,879	8,544	9,135	9,477
EBITDA	1,327	1,036	1,267	1,360	1,417
Core net profit	526	376	452	503	539
Core EPS (sen)	15.0	10.7	12.9	14.4	15.4
Core EPS growth (%)	20.6	(28.4)	20.0	11.4	7.2
Net DPS (sen)	8.0	8.0	7.0	7.0	7.0
Core P/E (x)	14.0	20.4	17.7	15.9	14.8
P/BV (x)	0.7	0.8	0.8	0.8	0.7
Net dividend yield (%)	3.8	3.7	3.1	3.1	3.1
ROAE (%)	3.9	0.0	4.5	4.9	5.1
ROAA (%)	2.4	1.7	1.9	2.0	2.1
EV/EBITDA (x)	8.4	12.3	10.9	10.7	10.2
Net gearing (%) (incl perps)	30.1	42.9	48.5	52.9	50.2
Consensus net profit	-	-	470	510	553
MIBG vs. Consensus (%)	-	-	(3.9)	(1.4)	(2.5)

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BUY

Share Price	MYR 2.28
12m Price Target	MYR 2.94 (+33%)
Previous Price Target	MYR 2.94

Company Description

IJM Corp. is a conglomerate with operations in construction, property development, manufacturing and quarrying, plantation, and infrastructure.

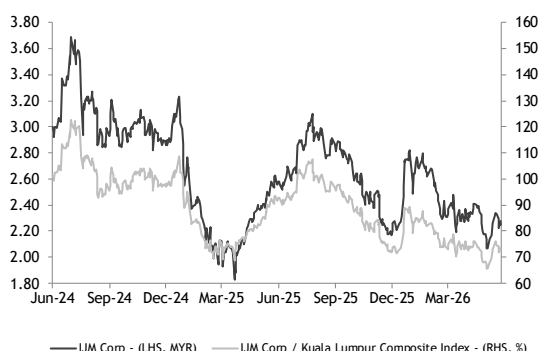
Statistics

52w high/low (MYR)	3.10/2.07
3m avg turnover (USDm)	6.1
Free float (%)	59.0
Issued shares (m)	3,648
Market capitalisation	MYR8.3B
	USD2.0B

Major shareholders:

Employees Provident Fund	19.7%
Kumpulan Wang Persaraan	10.2%
IJM Corporation	3.9%

Price Performance



	-1M	-3M	-12M
Absolute (%)	1	(6)	(13)
Relative to index (%)	5	(5)	(21)

Source: FactSet

FYE 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Key Metrics					
P/E (reported) (x)	24.4	nm	17.7	15.9	14.8
Core P/E (x)	14.0	20.4	17.7	15.9	14.8
P/BV (x)	0.7	0.8	0.8	0.8	0.7
P/NTA (x)	0.7	0.8	0.8	0.8	0.8
Net dividend yield (%)	3.8	3.7	3.1	3.1	3.1
FCF yield (%)	4.1	nm	nm	nm	6.9
EV/EBITDA (x)	8.4	12.3	10.9	10.7	10.2
EV/EBIT (x)	10.6	16.2	13.5	13.0	12.3

INCOME STATEMENT (MYR m)

Revenue	6,252.0	6,879.0	8,543.7	9,134.6	9,476.7
EBITDA	1,327.3	1,035.9	1,267.1	1,359.9	1,416.7
EBIT	1,057.8	788.6	1,025.9	1,118.4	1,174.9
Net interest income / (exp)	(145.9)	(156.4)	(127.9)	(118.1)	(108.5)
Associates & JV	(19.4)	38.9	48.0	54.3	57.4
Exceptionals	(101.4)	(373.2)	0.0	0.0	0.0
Pretax profit	791.1	298.0	946.0	1,054.5	1,123.8
Income tax	(323.8)	(301.1)	(392.3)	(437.3)	(466.1)
Minorities	(13.9)	57.4	(40.3)	(52.3)	(56.7)
Perpetual securities	(50.0)	(51.1)	(61.8)	(61.8)	(61.8)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	403.4	3.2	451.6	503.1	539.2
Core net profit	526.1	376.4	451.6	503.1	539.2

BALANCE SHEET (MYR m)

Cash & Short Term Investments	2,494.0	2,015.1	1,780.3	1,619.1	1,756.4
Accounts receivable	2,264.6	2,698.5	3,351.5	3,583.3	3,717.5
Inventory	6,453.6	6,871.4	7,607.4	8,133.5	8,438.1
Property, Plant & Equip (net)	1,232.2	1,461.0	1,369.8	1,278.4	1,186.6
Intangible assets	112.4	111.3	111.3	111.3	111.3
Investment in Associates & JVs	2,102.2	2,509.6	2,557.6	2,611.9	2,669.3
Other assets	7,110.3	7,284.8	7,867.8	8,450.8	8,450.8
Total assets	21,769.3	22,951.8	24,645.9	25,788.3	26,330.0
ST interest bearing debt	1,893.5	2,854.7	2,854.7	2,854.7	2,854.7
Accounts payable	3,130.5	3,773.2	4,698.9	5,020.6	5,204.8
LT interest bearing debt	4,005.4	3,870.3	4,370.3	4,870.3	4,870.3
Other liabilities	1,409.0	1,469.0	1,491.0	1,502.0	1,509.0
Total Liabilities	10,438.5	11,967.6	13,415.2	14,247.6	14,438.7
Shareholders Equity	10,276.3	9,939.4	10,145.6	10,403.3	10,697.2
Minority Interest	203.5	139.2	179.5	231.9	288.6
Total shareholder equity	10,479.7	10,078.6	10,325.1	10,635.2	10,985.8
Perpetual securities	851.1	905.5	905.5	905.5	905.5
Total liabilities and equity	21,769.3	22,951.8	24,645.9	25,788.3	26,330.0

CASH FLOW (MYR m)

Pretax profit	791.1	298.0	946.0	1,054.5	1,123.8
Depreciation & amortisation	269.5	247.2	241.2	241.5	241.8
Adj net interest (income)/exp	(145.9)	(156.4)	(127.9)	(118.1)	(108.5)
Change in working capital	(44.8)	(143.3)	(207.5)	(200.0)	(37.5)
Cash taxes paid	(294.9)	(291.9)	(370.4)	(426.5)	(459.2)
Other operating cash flow	120.9	334.2	(48.0)	(54.3)	(57.4)
Cash flow from operations	695.8	287.9	433.3	497.0	702.9
Capex	(396.5)	(1,008.5)	(733.0)	(733.0)	(150.0)
Free cash flow	299.3	(720.5)	(299.7)	(236.0)	552.9
Dividends paid	(280.5)	(280.4)	(245.4)	(245.4)	(245.4)
Equity raised / (purchased)	(1.9)	0.0	0.0	0.0	0.0
Change in Debt	366.6	951.7	500.0	500.0	0.0
Perpetual securities distribution	(46.7)	(46.7)	(61.8)	(61.8)	(61.8)
Other invest/financing cash flow	(720.8)	(365.6)	(127.9)	(118.1)	(108.5)
Effect of exch rate changes	(12.0)	(26.5)	0.0	0.0	0.0
Net cash flow	(396.0)	(488.0)	(234.8)	(161.2)	137.3

FYE 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Key Ratios					
Growth ratios (%)					
Revenue growth	5.6	10.0	24.2	6.9	3.7
EBITDA growth	(10.1)	(22.0)	22.3	7.3	4.2
EBIT growth	(10.0)	(25.4)	30.1	9.0	5.1
Pretax growth	(18.0)	(62.3)	217.4	11.5	6.6
Reported net profit growth	(32.8)	(99.2)	13,798.5	11.4	7.2
Core net profit growth	20.6	(28.5)	20.0	11.4	7.2
Profitability ratios (%)					
EBITDA margin	21.2	15.1	14.8	14.9	14.9
EBIT margin	16.9	11.5	12.0	12.2	12.4
Pretax profit margin	12.7	4.3	11.1	11.5	11.9
Payout ratio	69.5	nm	54.3	48.8	45.5
DuPont analysis					
Net profit margin (%)	6.5	0.0	5.3	5.5	5.7
Revenue/Assets (x)	0.3	0.3	0.3	0.4	0.4
Assets/Equity (x)	2.1	2.3	2.4	2.5	2.5
ROAE (%)	3.9	0.0	4.5	4.9	5.1
ROAA (%)	2.4	1.7	1.9	2.0	2.1
Liquidity & Efficiency					
Cash conversion cycle	366.5	327.7	276.0	276.1	280.4
Days receivable outstanding	115.6	129.9	127.5	136.7	138.7
Days inventory outstanding	466.0	410.5	358.2	364.4	370.1
Days payables outstanding	215.2	212.7	209.6	225.0	228.4
Dividend cover (x)	1.4	0.0	1.8	2.1	2.2
Current ratio (x)	2.2	1.7	1.7	1.7	1.7
Leverage & Expense Analysis					
Asset/Liability (x)	2.1	1.9	1.8	1.8	1.8
Net gearing (%) (incl perps)	30.1	42.9	48.5	52.9	50.2
Net gearing (%) (excl. perps)	32.5	46.7	52.7	57.4	54.3
Net interest cover (x)	7.3	5.0	8.0	9.5	10.8
Debt/EBITDA (x)	4.4	6.5	5.7	5.7	5.5
Capex/revenue (%)	6.3	14.7	8.6	8.0	1.6
Net debt/ (net cash)	3,405.0	4,709.9	5,444.7	6,105.9	5,968.6

Source: Company; Maybank IBG Research

Inari Amertron (INRI MK)

Growth engines emerging beyond RF

Maintain HOLD and TP at MYR2.22

INARI is transitioning from its RF-dominant revenue base into other high-growth verticals, including datacom and potentially power management. ChipFab revenue is expected to grow significantly in FY27. We continue to see that current valuations have priced in these expectations. Maintain HOLD with TP at MYR2.22, pegged to an unchanged 30x CY27E P/E (-0.5SD of 5Y fwd. mean).

New growth vertical in focus

Discussions mainly centred on the datacom segment gaining traction on its ChipFab trajectory and revenue contributions. Currently, the key bottleneck that the segment faces is on equipment lead times and INARI has committed to capacity buildout with bookings secured through the next two years. INARI currently serves two customers under this segment, with sole-source status on one. Power management has been reiterated as an emerging vertical, benefiting from the China+1 supply chain shift though meaningful contributions remain subject to further confirmation.

RF to recover as new verticals scale

RF remains the cornerstone of INARI's business, with 4 circuit design wins secured for upcoming flagship smartphones expected to drive utilisation back to optimal levels in FY27 as newer verticals scale. Key things to watch include the RF utilisation ramp towards c.80% in the coming quarters, ChipFab revenue trajectory in FY27, and the timeline for P34 to contribute meaningfully, with machines targeted to be operational by August 2026.

Continue to monitor execution

We make no changes to our forecasts. We believe a revenue recovery to FY22-24 levels could be the key trigger for a potential re-rating. Maintain HOLD and TP at MYR2.22, pegged to an unchanged 30x CY27E P/E (-0.5SD of 5Y fwd. mean). Key downside risks: softer global smartphone sales, weaker customer order loadings, and high customer concentration.

FYE Jun (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	1,479	1,352	1,276	1,425	1,785
EBITDA	369	292	367	410	483
Core net profit	314	255	197	245	315
Core EPS (sen)	8.2	6.7	5.2	6.5	8.3
Core EPS growth (%)	(3.9)	(19.0)	(22.1)	24.2	28.7
Net DPS (sen)	7.7	5.6	4.4	5.5	7.1
Core P/E (x)	44.9	30.2	41.5	33.4	26.0
P/BV (x)	5.0	2.8	2.9	2.9	2.8
Net dividend yield (%)	2.1	2.8	2.0	2.5	3.3
ROAE (%)	11.1	7.9	7.1	8.7	11.0
ROAA (%)	9.6	7.3	5.8	7.1	9.0
EV/EBITDA (x)	33.2	20.1	16.9	15.1	12.8
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	190	255	309
MIBG vs. Consensus (%)	-	-	3.5	(4.0)	2.1

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HOLD

Share Price	MYR 2.16
12m Price Target	MYR 2.22 (+5%)
Previous Price Target	MYR 2.22

Company Description

Inari Amertron is the biggest semiconductor player in M'sia and one of Broadcom's top OSAT providers in the thriving wireless division.

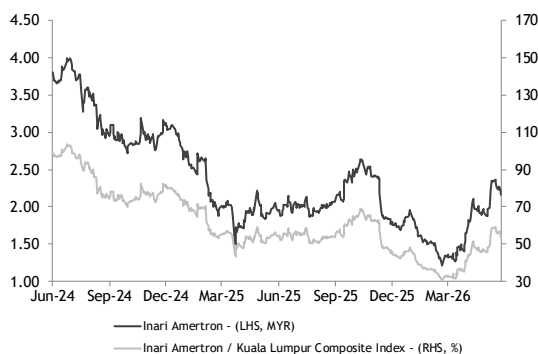
Statistics

52w high/low (MYR)	2.64/1.21
3m avg turnover (USDm)	11.4
Free float (%)	68.2
Issued shares (m)	3,789
Market capitalisation	MYR8.2B USD2.0B

Major shareholders:

Employees Provident Fund	15.6%
Kumpulan Wang Persaraan	10.1%
Insas Bhd.	9.7%

Price Performance



	-1M	-3M	-12M
Absolute (%)	14	66	5
Relative to index (%)	19	69	(4)

Source: FactSet

FYE 30 Jun	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	39.2	46.9	41.5	33.4	26.0
Core P/E (x)	44.9	30.2	41.5	33.4	26.0
P/BV (x)	5.0	2.8	2.9	2.9	2.8
P/NTA (x)	5.0	2.8	2.9	2.9	2.8
Net dividend yield (%)	2.1	2.8	2.0	2.5	3.3
FCF yield (%)	2.4	2.7	4.0	3.0	3.2
EV/EBITDA (x)	33.2	20.1	16.9	15.1	12.8
EV/EBIT (x)	49.8	38.1	29.6	23.7	18.1
INCOME STATEMENT (MYR m)					
Revenue	1,478.7	1,351.9	1,275.7	1,424.6	1,784.8
EBITDA	368.6	292.4	367.0	409.7	483.5
Depreciation	(123.1)	(137.9)	(157.6)	(149.6)	(143.2)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	245.5	154.5	209.4	260.2	340.3
Net interest income / (exp)	64.7	65.8	21.4	23.0	23.4
Associates & JV	(0.2)	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	310.1	220.3	230.8	283.2	363.7
Income tax	(10.0)	(7.2)	(33.7)	(38.4)	(48.7)
Minorities	0.1	5.6	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	300.2	218.7	197.1	244.8	315.0
Core net profit	314.2	254.6	197.1	244.8	315.0
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	2,260.7	2,141.4	2,305.0	2,342.2	2,337.9
Accounts receivable	253.5	244.1	217.4	239.2	291.7
Inventory	181.0	179.1	170.4	185.5	229.4
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	779.4	735.7	698.1	668.5	645.3
Intangible assets	11.0	9.9	9.9	9.9	9.9
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	68.4	90.9	37.4	37.4	37.4
Total assets	3,554.1	3,401.1	3,438.2	3,482.7	3,551.5
ST interest bearing debt	0.0	0.0	0.0	0.0	0.0
Accounts payable	274.7	232.2	228.1	235.2	255.8
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	0.0	0.0	0.0	0.0	0.0
Other liabilities	105.0	79.0	90.0	90.0	90.0
Total Liabilities	379.9	310.7	317.7	324.9	345.6
Shareholders Equity	2,793.8	2,763.7	2,793.8	2,831.1	2,879.2
Minority Interest	380.4	326.7	326.7	326.7	326.7
Total shareholder equity	3,174.2	3,090.4	3,120.4	3,157.8	3,205.9
Total liabilities and equity	3,554.1	3,401.1	3,438.2	3,482.7	3,551.5
CASH FLOW (MYR m)					
Pretax profit	310.1	220.3	230.8	283.2	363.7
Depreciation & amortisation	123.1	137.9	157.6	149.6	143.2
Adj net interest (income)/exp	(64.7)	(65.8)	(21.4)	(23.0)	(23.4)
Change in working capital	122.6	(39.6)	95.7	(29.7)	(75.8)
Cash taxes paid	(55.0)	(32.3)	(33.7)	(38.4)	(48.7)
Other operating cash flow	14.0	43.3	0.0	0.0	0.0
Cash flow from operations	515.5	331.2	450.4	364.7	382.4
Capex	(180.1)	(121.9)	(120.0)	(120.0)	(120.0)
Free cash flow	335.4	209.3	330.4	244.7	262.4
Dividends paid	(292.1)	(238.3)	(166.9)	(207.3)	(266.7)
Equity raised / (purchased)	0.0	38.1	0.0	0.0	0.0
Change in Debt	0.0	0.0	0.0	0.0	0.0
Other invest/financing cash flow	(12.2)	(117.7)	(0.1)	(0.1)	(0.1)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	31.1	(108.6)	163.5	37.3	(4.4)

FYE 30 Jun	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	9.2	(8.6)	(5.6)	11.7	25.3
EBITDA growth	(10.1)	(20.7)	25.5	11.7	18.0
EBIT growth	(19.1)	(37.1)	35.5	24.3	30.8
Pretax growth	(12.9)	(28.9)	4.7	22.7	28.4
Reported net profit growth	(7.2)	(27.1)	(9.9)	24.2	28.7
Core net profit growth	(3.3)	(19.0)	(22.6)	24.2	28.7
Profitability ratios (%)					
EBITDA margin	24.9	21.6	28.8	28.8	27.1
EBIT margin	16.6	11.4	16.4	18.3	19.1
Pretax profit margin	21.0	16.3	18.1	19.9	20.4
Payout ratio	97.8	97.3	85.0	85.0	85.0
DuPont analysis					
Net profit margin (%)	20.3	16.2	15.4	17.2	17.6
Revenue/Assets (x)	0.4	0.4	0.4	0.4	0.5
Assets/Equity (x)	1.3	1.2	1.2	1.2	1.2
ROAE (%)	11.1	7.9	7.1	8.7	11.0
ROAA (%)	9.6	7.3	5.8	7.1	9.0
Liquidity & Efficiency					
Cash conversion cycle	51.8	41.3	45.3	40.1	43.4
Days receivable outstanding	80.9	66.3	65.1	57.7	53.5
Days inventory outstanding	56.8	61.2	62.4	58.4	55.1
Days payables outstanding	85.8	86.1	82.2	76.0	65.2
Dividend cover (x)	1.0	1.0	1.2	1.2	1.2
Current ratio (x)	7.9	9.3	9.7	9.7	9.4
Leverage & Expense Analysis					
Asset/Liability (x)	9.4	nm	nm	nm	nm
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	na	na	na	na	na
Debt/EBITDA (x)	0.0	0.0	0.0	0.0	0.0
Capex/revenue (%)	12.2	9.0	9.4	8.4	6.7
Net debt/ (net cash)	(2,260.7)	(2,141.4)	(2,305.0)	(2,342.2)	(2,337.9)

Source: Company; Maybank IBG Research

IOI Corporation (IOI MK)

Growth to emanate from FFB recovery post replanting

Favourable risk-return investment case

IOI is projecting higher output trends over next two years, reaping the benefits of aggressive replanting done the past 6 years using high-yielding planting materials. IOI offers a favourable risk-return profile among the large-cap peers due to its least direct exposure to ID's regulatory risk with 12% of its total planted area there. This excludes indirect exposure via its 32%-associate stake in Bumitama Agri (BAL SP, HOLD, TP: SGD1.87). BUY with unchanged TP of MYR4.57 on 19x FY27E P/E, its 5Y mean.

IOI targets +6% to +9% YoY FFB output growth

Key discussion points at meetings were on replanting, FFB growth, cost pressures, and downstream. Following 6 years of aggressive replanting, IOI reckons its upstream replanting rate should normalize in 2 years. IOI is already projecting higher output trends as newer planting materials with higher yield potentials enter into maturity. IOI targets +6%- +9% YoY FFB growth for FY26E (10MFY26E: +6% YoY) and FY27E. For fertiliser, it has locked-in its requirement till July 2026. IOI reckons higher fertiliser and diesel costs may add up to MYR200/t in unit costs, but manageable.

Higher-than-expected ASP for ST earnings upside

IOI's ST earnings growth catalyst will emanate from higher CPO ASP and FFB growth while keeping unit cost under control. IOI anticipates CPO ASP to range between MYR4,300-4,600/t in the ST. For downstream, the outlook for refinery and oleo sub-segments are expected to remain challenging due to competition from ID. However, for its specialty fats sub-segment (ie 20%-associate Bunge Lodders Croklaan), performance is expected to improve further when its European operations move into a new, modern and more efficient facility by this year end.

Reaping the benefits of past aggressive replanting

We make no changes to our earnings forecasts. We like IOI for its +13.8% YoY core EPS growth for FY26E and its future earnings potential as its aggressive replanting programme is ending soon, hence promises organic FFB growth recovery in the coming years. Presently, while small in earnings potential to the group, IOI is also venturing into coconut plantation and processing, while turning waste (like EFB and OPT) into higher value products (like EFB pulp and wood products) for future growth.

FYE Jun (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	9,604	11,335	11,574	12,236	12,871
EBITDA	1,569	1,748	1,896	1,994	2,116
Core net profit	1,122	1,232	1,402	1,491	1,579
Core EPS (sen)	18.1	19.9	22.6	24.0	25.4
Core EPS growth (%)	(13.8)	9.8	13.8	6.4	5.8
Net DPS (sen)	9.5	10.5	13.0	12.7	13.5
Core P/E (x)	20.5	18.8	18.6	17.5	16.5
P/BV (x)	2.0	1.9	2.0	1.9	1.8
Net dividend yield (%)	2.6	2.8	3.1	3.0	3.2
ROAE (%)	9.6	12.7	12.1	11.2	11.2
ROAA (%)	6.3	6.8	7.6	7.8	7.9
EV/EBITDA (x)	15.8	14.4	14.7	13.9	13.0
Net gearing (%) (incl perps)	13.1	13.3	10.7	9.0	7.1
Consensus net profit	-	-	1,488	1,516	1,580
MIBG vs. Consensus (%)	-	-	2.6	(1.6)	(0.1)

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BUY

Share Price	MYR 4.20
12m Price Target	MYR 4.57 (+12%)
Previous Price Target	MYR 4.57

Company Description

IOI Corp engages in the cultivation of oil palm and manufacturing of oleochemicals, specialty oils and fats, and processed palm oil.

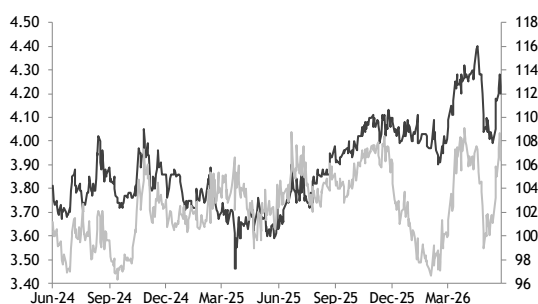
Statistics

52w high/low (MYR)	4.40/3.61
3m avg turnover (USDm)	7.1
Free float (%)	29.6
Issued shares (m)	6,285
Market capitalisation	MYR26.4B
	USD6.5B

Major shareholders:

LEE SHIN CHENG FAMILY	49.8%
Employees Provident Fund	16.7%
Permodalan Nasional Bhd.	7.2%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(1)	4	17
Relative to index (%)	3	6	6

Source: FactSet

Abbreviations

ASP = Average selling price
EFB = Empty Fruit Bunch
EPS = Earnings per share
FFB = Fresh Fruit Bunches
ID = Indonesia
OPT = Oil palm trunk
ST = Short term
TP = Target price

FYE 30 Jun	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	22.2	15.4	17.1	17.5	16.5
Core P/E (x)	20.5	18.8	18.6	17.5	16.5
P/BV (x)	2.0	1.9	2.0	1.9	1.8
P/NTA (x)	2.0	2.0	2.1	2.0	1.9
Net dividend yield (%)	2.6	2.8	3.1	3.0	3.2
FCF yield (%)	2.3	0.8	3.5	3.1	3.4
EV/EBITDA (x)	15.8	14.4	14.7	13.9	13.0
EV/EBIT (x)	21.2	18.8	18.9	17.9	16.6
INCOME STATEMENT (MYR m)					
Revenue	9,603.6	11,334.7	11,574.3	12,235.6	12,871.4
EBITDA	1,569.0	1,747.8	1,896.0	1,993.8	2,115.9
Depreciation	(397.1)	(404.6)	(424.6)	(443.5)	(462.4)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	1,171.9	1,343.2	1,471.4	1,550.3	1,653.5
Net interest income / (exp)	(117.9)	(107.2)	(95.0)	(89.4)	(85.4)
Associates & JV	355.2	351.4	399.5	426.6	435.1
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	(10.7)	290.1	125.0	0.0	0.0
Pretax profit	1,398.5	1,877.5	1,901.0	1,887.5	2,003.2
Income tax	(282.2)	(341.1)	(357.9)	(379.8)	(407.7)
Minorities	(6.9)	(15.8)	(16.1)	(16.2)	(16.8)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	1,109.4	1,520.6	1,527.0	1,491.5	1,578.7
Core net profit	1,122.1	1,231.9	1,402.0	1,491.5	1,578.7
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	2,181.7	1,578.4	1,771.3	1,880.5	2,051.9
Accounts receivable	1,283.4	1,393.3	1,422.8	1,504.0	1,582.2
Inventory	1,221.2	1,419.8	1,449.8	1,532.7	1,612.3
Property, Plant & Equip (net)	9,229.1	9,432.6	9,708.0	9,964.5	10,202.1
Intangible assets	411.8	406.1	406.1	406.1	406.1
Investment in Associates & JVs	3,103.3	3,245.8	3,445.6	3,658.9	3,876.4
Other assets	511.7	654.7	654.7	654.7	654.7
Total assets	17,942.2	18,130.7	18,858.2	19,601.3	20,385.7
ST interest bearing debt	708.7	740.1	740.1	740.1	740.1
Accounts payable	788.5	821.9	839.3	887.2	933.3
LT interest bearing debt	3,046.6	2,514.5	2,464.2	2,414.9	2,366.6
Other liabilities	1,389.0	1,421.0	1,448.0	1,475.0	1,503.0
Total Liabilities	5,932.5	5,497.9	5,491.6	5,517.5	5,543.0
Shareholders Equity	11,678.6	12,294.0	13,011.7	13,712.7	14,454.6
Minority Interest	331.1	338.8	354.9	371.2	388.0
Total shareholder equity	12,009.7	12,632.8	13,366.6	14,083.8	14,842.7
Total liabilities and equity	17,942.2	18,130.7	18,858.2	19,601.3	20,385.7
CASH FLOW (MYR m)					
Pretax profit	1,398.5	1,877.5	1,901.0	1,887.5	2,003.2
Depreciation & amortisation	397.1	404.6	424.6	443.5	462.4
Adj net interest (income)/exp	117.9	107.2	95.0	89.4	85.4
Change in working capital	(30.7)	(448.3)	(42.1)	(116.2)	(111.7)
Cash taxes paid	(233.5)	(336.4)	(357.9)	(379.8)	(407.7)
Other operating cash flow	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	1,232.3	1,043.1	1,621.1	1,497.8	1,596.5
Capex	(699.1)	(847.5)	(700.0)	(700.0)	(700.0)
Free cash flow	533.2	195.6	921.1	797.8	896.5
Dividends paid	(604.1)	(628.5)	(809.3)	(790.5)	(836.7)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(27.7)	(235.7)	(50.3)	(49.3)	(48.3)
Other invest/financing cash flow	41.5	69.9	131.4	151.1	159.9
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	(57.1)	(598.7)	192.9	109.2	171.4

FYE 30 Jun	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	(17.1)	18.0	2.1	5.7	5.2
EBITDA growth	(18.8)	11.4	8.5	5.2	6.1
EBIT growth	(24.8)	14.6	9.5	5.4	6.7
Pretax growth	(8.4)	34.3	1.3	(0.7)	6.1
Reported net profit growth	(0.4)	37.1	0.4	(2.3)	5.8
Core net profit growth	(13.8)	9.8	13.8	6.4	5.8
Profitability ratios (%)					
EBITDA margin	16.3	15.4	16.4	16.3	16.4
EBIT margin	12.2	11.9	12.7	12.7	12.8
Pretax profit margin	14.6	16.6	16.4	15.4	15.6
Payout ratio	53.1	42.8	53.0	53.0	53.0
DuPont analysis					
Net profit margin (%)	11.6	13.4	13.2	12.2	12.3
Revenue/Assets (x)	0.5	0.6	0.6	0.6	0.6
Assets/Equity (x)	1.5	1.5	1.4	1.4	1.4
ROAE (%)	9.6	12.7	12.1	11.2	11.2
ROAA (%)	6.3	6.8	7.6	7.8	7.9
Liquidity & Efficiency					
Cash conversion cycle	68.4	64.9	69.8	68.7	68.9
Days receivable outstanding	48.6	42.5	43.8	43.1	43.2
Days inventory outstanding	55.4	57.4	61.8	60.8	61.2
Days payables outstanding	35.6	35.0	35.8	35.2	35.4
Dividend cover (x)	1.9	2.3	1.9	1.9	1.9
Current ratio (x)	3.2	2.9	3.0	3.1	3.2
Leverage & Expense Analysis					
Asset/Liability (x)	3.0	3.3	3.4	3.6	3.7
Net gearing (%) (incl perps)	13.1	13.3	10.7	9.0	7.1
Net gearing (%) (excl. perps)	13.1	13.3	10.7	9.0	7.1
Net interest cover (x)	9.9	12.5	15.5	17.3	19.4
Debt/EBITDA (x)	2.4	1.9	1.7	1.6	1.5
Capex/revenue (%)	7.3	7.5	6.0	5.7	5.4
Net debt/ (net cash)	1,573.6	1,676.2	1,433.0	1,274.5	1,054.8

Source: Company; Maybank IBG Research

ITMAX System Bhd (ITMAX MK)

Surveilling growth

Maintain BUY and TP at MYR5.92

ITMAX's discussions centred around its advancing AI capabilities and latest contract wins. The deployment of ITMAX's solutions are already showing tangible results. Near term catalyst remains intact on account of Johor's single-system policy. We are expecting contributions from DBKL's VO11 contract to kick in from 2Q26 onwards. We make no changes to our earnings forecasts and maintain our DCF-TP of MYR5.92. Maintain BUY.

Advancing AI capabilities and contract wins

Key takeaways from the meetings centred around ITMAX's advancing AI capabilities and latest contract wins. ITMAX is in the midst of developing its proprietary SamurAI platform, which will integrate both Video Language Model (VLM) and Agentic AI into its existing in-house suite of AI capabilities, with rollout expected by end-FY26/early-FY27. Over the past year, ITMAX has secured multiple contracts across video surveillance, smart parking and smart traffic management services, further solidifying its position as a leading smart city solutions provider. The deployment of these solutions are already showing tangible results including a reduction in crime rate and increased parking collections.

Near term catalysts visible

Our positive outlook on ITMAX remains intact, underpinned by Johor's single-system policy serving as a near term catalyst. Additionally, with DBKL's CCTVs under the VO11 contract fully installed and commissioned, we are expecting contributions to kick in from 2Q26 onwards. We understand that ITMAX is actively engaging with DBKL towards achieving their goal of 20k CCTVs.

Established leadership, premium valuation warranted

We continue to like ITMAX for its established leadership position as a smart city solutions provider and its strong earnings visibility. We make no changes to our FY26 - 28E earnings forecasts and DCF-TP of MYR5.92 based on a 7% WACC and 3% LTG. Key risks include operational delays, cost overruns and non-renewal of contracts. Maintain BUY.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	220	247	293	350	400
EBITDA	138	152	187	230	267
Core net profit	80	94	124	151	181
Core EPS (sen)	7.8	9.1	12.0	14.6	17.5
Core EPS growth (%)	25.5	16.0	32.7	21.4	20.2
Net DPS (sen)	1.2	2.3	3.1	3.7	4.5
Core P/E (x)	47.3	52.7	39.8	32.8	27.3
P/BV (x)	9.9	9.9	8.4	7.0	5.9
Net dividend yield (%)	0.3	0.5	0.6	0.8	0.9
ROAE (%)	22.3	21.2	22.8	23.3	23.5
ROAA (%)	18.7	17.8	18.6	19.5	20.2
EV/EBITDA (x)	26.6	31.9	25.7	20.6	17.1
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	119	139	159
MIBG vs. Consensus (%)	-	-	4.7	8.7	13.6

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BUY

Share Price	MYR 4.78
12m Price Target	MYR 5.92 (+25%)
Previous Price Target	MYR 5.92

Company Description

Itmax System Bhd. engages in providing video surveillance and analytics services.

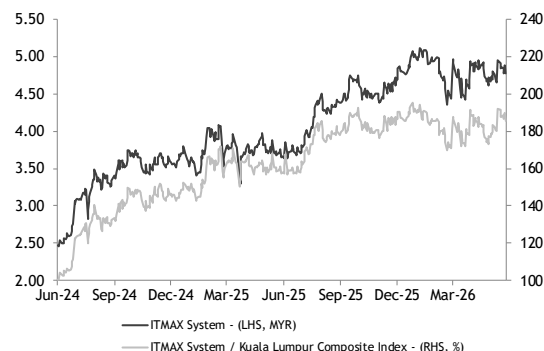
Statistics

52w high/low (MYR)	5.12/3.63
3m avg turnover (USDm)	2.5
Free float (%)	45.4
Issued shares (m)	1,033
Market capitalisation	MYR4.9B
	USD1.2B

Major shareholders:

Sena Holdings Sdn. Bhd.	48.4%
Kenanga Investors Bhd.	5.3%
Employees Provident Fund Board	5.0%

Price Performance



	-1M	-3M	-12M
Absolute (%)	2	6	27
Relative to index (%)	6	8	15

Source: FactSet

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	36.0	45.0	39.8	32.8	27.3
Core P/E (x)	47.3	52.7	39.8	32.8	27.3
P/BV (x)	9.9	9.9	8.4	7.0	5.9
P/NTA (x)	9.9	10.3	8.6	7.2	6.0
Net dividend yield (%)	0.3	0.5	0.6	0.8	0.9
FCF yield (%)	0.9	nm	1.5	2.4	4.3
EV/EBITDA (x)	26.6	31.9	25.7	20.6	17.1
EV/EBIT (x)	35.2	37.1	29.2	24.1	19.7
INCOME STATEMENT (MYR m)					
Revenue	220.2	247.0	293.0	350.1	399.7
EBITDA	137.7	151.9	187.2	229.8	267.3
Depreciation	(18.4)	(21.5)	(22.6)	(33.3)	(35.0)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	103.9	130.4	164.6	196.6	232.3
Net interest income / (exp)	0.6	1.5	1.6	3.1	6.0
Associates & JV	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	107.2	131.9	166.2	199.6	238.3
Income tax	(26.7)	(33.4)	(42.1)	(48.9)	(57.2)
Minorities	(0.1)	(5.0)	(0.0)	(0.1)	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	80.4	93.5	124.1	150.6	181.1
Core net profit	80.2	93.5	124.1	150.6	181.1
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	180.0	134.8	176.4	257.0	420.8
Accounts receivable	37.6	69.2	82.1	98.1	54.7
Inventory	18.3	20.4	31.0	40.0	24.8
Property, Plant & Equip (net)	171.8	266.6	294.0	310.7	325.7
Intangible assets	3.8	22.6	22.6	22.6	22.6
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	16.5	106.8	106.7	106.7	106.7
Total assets	428.0	620.4	712.8	835.1	955.4
ST interest bearing debt	19.0	31.5	31.5	31.5	31.5
Accounts payable	22.1	50.5	50.4	60.3	45.6
LT interest bearing debt	26.5	10.7	10.7	10.7	10.7
Other liabilities	15.0	25.0	25.0	25.0	25.0
Total Liabilities	82.5	117.4	117.3	127.2	112.5
Shareholders Equity	384.6	497.7	590.2	702.5	837.5
Minority Interest	3.3	5.3	5.3	5.4	5.4
Total shareholder equity	387.9	503.0	595.5	707.9	842.9
Total liabilities and equity	470.4	620.4	712.8	835.1	955.4
CASH FLOW (MYR m)					
Pretax profit	107.2	131.9	166.2	199.6	238.3
Depreciation & amortisation	18.4	21.5	22.6	33.3	35.0
Adj net interest (income)/exp	(0.6)	(1.5)	(1.6)	(3.1)	(6.0)
Change in working capital	(10.7)	(33.9)	(23.6)	(15.1)	43.9
Cash taxes paid	(20.9)	(28.9)	(42.1)	(48.9)	(57.2)
Other operating cash flow	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	94.0	90.4	123.1	168.9	260.0
Capex	(60.0)	(110.3)	(50.0)	(50.0)	(50.0)
Free cash flow	34.0	(19.9)	73.1	118.9	210.0
Dividends paid	(11.9)	(6.2)	(31.6)	(38.3)	(46.1)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(15.0)	(1.6)	0.0	0.0	0.0
Other invest/financing cash flow	0.0	0.0	0.0	0.0	0.0
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	7.2	(27.7)	41.6	80.6	163.9

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	47.1	12.1	18.6	19.5	14.1
EBITDA growth	26.0	10.3	23.2	22.8	16.3
EBIT growth	251.6	25.5	26.2	19.4	18.2
Pretax growth	30.1	23.1	26.0	20.1	19.3
Reported net profit growth	27.2	16.4	32.7	21.4	20.2
Core net profit growth	25.5	16.6	32.7	21.4	20.2
Profitability ratios (%)					
EBITDA margin	62.5	61.5	63.9	65.6	66.9
EBIT margin	47.2	52.8	56.2	56.1	58.1
Pretax profit margin	48.7	53.4	56.7	57.0	59.6
Payout ratio	14.8	25.5	25.5	25.5	25.4
DuPont analysis					
Net profit margin (%)	36.5	37.9	42.4	43.0	45.3
Revenue/Assets (x)	0.5	0.4	0.4	0.4	0.4
Assets/Equity (x)	1.1	1.2	1.2	1.2	1.1
ROAE (%)	22.3	21.2	22.8	23.3	23.5
ROAA (%)	18.7	17.8	18.6	19.5	20.2
Liquidity & Efficiency					
Cash conversion cycle	38.3	(5.8)	(11.7)	22.4	2.8
Days receivable outstanding	51.6	77.8	93.0	92.7	68.8
Days inventory outstanding	68.0	95.5	108.9	125.9	104.2
Days payables outstanding	81.3	179.1	213.6	196.1	170.3
Dividend cover (x)	6.8	3.9	3.9	3.9	3.9
Current ratio (x)	5.4	3.5	4.2	4.9	6.9
Leverage & Expense Analysis					
Asset/Liability (x)	5.2	5.3	6.1	6.6	8.5
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	na	na	na	na	na
Debt/EBITDA (x)	0.3	0.3	0.2	0.2	0.2
Capex/revenue (%)	27.2	44.7	17.1	14.3	12.5
Net debt/ (net cash)	(134.6)	(92.6)	(134.2)	(214.8)	(378.7)

Source: Company; Maybank IBG Research

Johor Plantations Group (JPG MK)

Going downstream in search of growth

Strength in its 100% RSPO certified oils

Listed in July 2024 as a pure play, JPG is transitioning into a fully integrated oil palm player by the end of FY26E. It has 55,723 ha of oil palm planted area in Johor with 22.8t/ha of FFB yield in FY25A (vs national yield of 17.8t/ha). Its estates are 100% RSPO certified, and 4 out of 5 mills are with Identity Preserved (IP), generating good sustainability premiums.

Accelerated replanting to hurt its near term output

Key discussions at meetings centred on El Nino, replanting and downstream investments. On replanting, JPG plans on accelerating replanting, targeting healthier tree age profile of 11 years by FY29 (FY25A: 13.7 years). Annual replanting rate will be 6%-7% from FY26 to FY29 (vs usual rate of 4%-5%). While positive for the future, it may result in a decline in FFB output in the near term. JPG plans to supplement its income with higher outside crop purchases. It expects its own FFB output to decline 5% YoY in FY26E. As for weather, JPG has not felt the presence of an El Nino despite drier-than-usual weather in early part of 2026 (but rainfall has since normalised). JPG expects its FY26 1H:2H output ratio at 40%:60%.

Going downstream in search of growth

To drive future growth, JPG plans to be fully integrated, budgeting MYR600m in capex for its ISPOC in Johor. ISPOC will comprise a 150,000tpa specialty refinery, (up to 12MW) RE power plant, 90tph mill, 200tpd KCP and 130tpd animal feed plant when completed. The new specialty refinery and power plant (costing c.MYR400m) are expected to be operational in 3Q26. The new mill will be operational in 4Q26 while KCP in 1Q27. Due to anticipated low utilisation rate typical of any new plants, JPG expects the new JV refinery to be EBITDA neutral in FY26E (ie loss making after depreciation and interest charges).

Consensus skewed towards more BUYs

JPG is non-rated under our coverage. Based on Bloomberg consensus, its FY26E core PATMI is projected to decline 7% YoY. There are presently 7 brokers covering JPG with 5 BUY calls, and 2 HOLD calls with target prices ranging from MYR1.75 to 2.15. According to Bloomberg consensus, JPG trades at 13.3x FY26E P/E, P/BV of 1.4x and 3.9% of DY.

FYE Dec (MYRm)	FY24A	FY25A
Revenue	1,524.9	1,724.7
EBITDA	532.3	624.7
Core net profit	256.1	343.6
Core EPS (sen)	11.4	13.8
Core EPS growth (%)	-	21.5
Net DPS (sen)	5.25	7.00
Core P/E (x)	15.2	12.5
P/BV (x)	1.4	1.4
Net dividend yield (%)	3.0	4.0
ROAE (%)	9.1	11.8
ROAA (%)	10.3	6.6
EV/EBITDA (x)	12.4	10.5
Net gearing (%) (incl perps)	41.0	31.8

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Not Rated

Share Price

MYR 1.73

Company Description

Johor Plantations Group Bhd. engages in the production of palm oil and palm kernels.

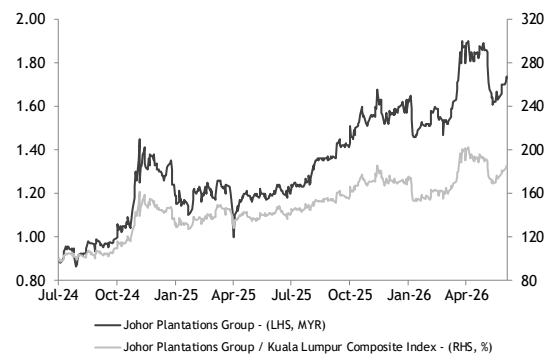
Statistics

52w high/low (MYR)	1.90/1.18
3m avg turnover (USDm)	2.9
Free float (%)	32.4
Issued shares (m)	2,500
Market capitalisation	MYR4.3B USD1.1B

Major shareholders:

Kulim (Malaysia) Bhd.	56.7%
Employees Provident Fund	9.3%
Kumpulan Wang Persaraan	6.4%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(6)	13	43
Relative to index (%)	(3)	15	30

Source: FactSet

Abbreviations

ASP = Average selling price
FFB = Fresh Fruit Bunches
ISPOC = Integrated Sustainable Palm Oil Complex
KCP = Kernel Crushing Plant
RE = Renewable Energy
TP = Target price
tpa = tonnes per annum
tpd = tonnes per day
tph = tonnes per hour
t/ha = metric tonne per hectare

Karex Bhd (KAREX MK)

Not Rated

Share Price

MYR 0.47

Nitrile synthetic condoms as a growth driver

Scaling up the nitrile synthetic opportunity

Karex is the world's largest condom manufacturer and is repositioning its business towards nitrile synthetic condoms and commercial sales. Discussions focused on the structural decline in tender sales and Karex's patented nitrile synthetic condom product. While FY26 earnings were affected by FX headwinds, US export tariffs and weaker tender demand, management believes synthetic products and commercial sales could become increasingly meaningful earnings drivers over the medium term.

Commercial growth offsetting tender weakness

Key discussions focused on: (i) continued weakness in tender sales due to lower humanitarian aid funding, although management expects commercial demand to gradually absorb part of the shortfall; (ii) nitrile synthetic condoms, which currently contribute c.10% of group sales and are expected to scale further as production capacity expands from nine lines currently to 16 lines by end-CY26; and (iii) margin recovery initiatives, including 20-30% ASP increases across customers, expected US tariff refunds of c.USD2m (c.MYR8m) and a stronger USD, which should help offset recent pressure from FX movements and higher oil-linked raw material costs.

Nitrile synthetic condoms as the next growth engine

Management is optimistic on the medium-term outlook despite near-term macroeconomic challenges. Nitrile synthetic condom sales are expected to grow as product adoption expands across additional markets over time. The group has also begun receiving US tariff refunds and expects further repayments in the coming quarters. Meanwhile, most customers have accepted the recent ASP increases, while the strengthening USD should provide some relief given that more than 80% of group revenue is denominated in USD.

Valuation

Karex is currently non-rated under our coverage. Based on Bloomberg consensus estimates, Karex trades at 22.9x FY27F P/E and 1.1x FY27F P/B. Karex is covered by four brokers, with three BUY and one HOLD recommendations. Consensus target prices are ranging from MYR0.53 to MYR0.70.

FYE Jun (MYRm)	FY21A	FY22A	FY23A	FY24A	FY25A
Revenue	420	422	532	508	498
EBITDA	25	21	49	65	36
Core net profit	-1	-6	10	23	0
Core EPS (sen)	-0.1	-0.6	1.0	2.2	0.0
Core EPS growth (%)	-547.4	507.0	-269.2	123.7	-99.1
Net DPS (sen)	0.0	0.0	0.5	1.5	1.0
Core P/E (x)	-495.7	-81.7	48.3	21.6	2431.1
P/BV (x)	1.1	1.1	1.1	1.0	1.1
Net dividend yield (%)	0.0	0.0	1.0	3.1	2.1
ROAE (%)	-0.2	-1.4	2.2	4.9	0.0
ROAA (%)	-0.2	-0.9	1.5	3.3	0.0
EV/EBITDA (x)	21.8	28.6	12.4	9.0	17.4
Net gearing (%) (incl perps)	8.4	17.9	21.8	16.8	26.0

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Company Description

Karex Bhd. is an investment holding company, which engages in the manufacture and sale of sexual wellness, medical, and health related products.

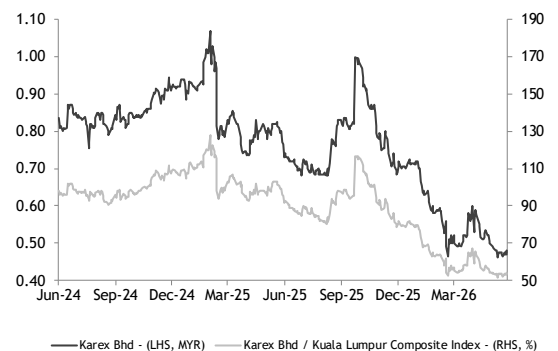
Statistics

52w high/low (MYR)	1.00/0.46
3m avg turnover (USDm)	0.1
Free float (%)	34.1
Issued shares (m)	1,053
Market capitalisation	MYR495.1M
	USD122M

Major shareholders:

LAM JIUAN JIUAN	24.0%
Maryen Holdings Ltd.	11.5%
Abrdn Asia Ltd.	5.9%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(10)	(6)	(41)
Relative to index (%)	(6)	(4)	(47)

Source: FactSet

Abbreviations

ASP - average selling price
 FX - forex exchange

Kee Ming Group (KEEMING MK)

Riding the M&E upcycle

BUY

Share Price MYR 1.25
 12m Price Target MYR 1.36 (+9%)
 Previous Price Target MYR 1.36

Growing exposure in DC, HV, and industrial

Kee Ming (KM) is poised to benefit from the M&E sector upcycle through its with growing exposure across data centre (DC), high voltage (HV) power infrastructure, and industrial M&E projects. KM's MYR173m orderbook is set to support earnings visibility until FY28E while replenishment opportunities are backed by its growing MYR1.7b tenderbook. Reiterate our BUY call with a TP of MYR1.36, pegged to 15x CY27E P/E.

Tenderbook doubled to MYR1.7b

Key investors' questions centred on project pipeline, industry competitive landscape, and future growth strategies. Tender prospect in the M&E sector remains robust, with KM's tender book nearly doubling from MYR879m in Apr26 to MYR1.7b in May26. The increase in tenders was primarily driven by new industrial and HV interconnection facilities (IF) projects. The new industrial projects are primarily automated warehouses and manufacturing facilities in the Northern region, supported in part by continued investment across the electrical and electronics (E&E) value chain. While KM is aiming to penetrate into TNB related HV projects by gaining track record alongside an existing TNB contractor partner.

Positioned to ride the second wave of DC

KM's on-going MYR580m DC tenders are primarily tied to 3 existing main contractor clients (2 local and 1 foreign), which mainly serve U.S hyperscale and co-location DC operators with expanding pipelines in Malaysia. Despite the highly fragmented and competitive nature of the M&E industry, KM highlighted that as DC operators advance into larger scale second phase build-ups, contractors' selection is increasingly driven by proven execution track records and strong financial capabilities. Which set KM apart from the smaller non-listed subcontractors in the industry.

Maintain BUY with unchanged MYR1.36 TP

We value KM at 15x CY27E P/E, which aligns with +1SD of its M&E sector peer average 3-year forward P/E band. We believe this is justified by KM's growing exposure in the M&E sector and strong 3-year profit CAGR of 55% over FY25-28E.

FYE Mar (MYR m)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue	62	151	242	298	368
EBITDA	12	30	34	42	51
Core net profit	8	22	25	31	38
Core EPS (sen)	2.5	6.8	7.8	9.5	11.7
Core EPS growth (%)	34.8	166.8	15.2	21.9	23.3
Net DPS (sen)	0.0	0.0	0.0	0.0	0.0
Core P/E (x)	na	11.0	16.1	13.2	10.7
P/BV (x)	na	3.0	3.8	3.0	2.3
Net dividend yield (%)	na	0.0	0.0	0.0	0.0
ROAE (%)	48.6	32.0	26.9	25.3	23.7
ROAA (%)	22.4	25.8	18.4	17.2	16.4
EV/EBITDA (x)	34.9	6.6	10.1	7.7	5.7
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	25	31	38
MIBG vs. Consensus (%)	-	-	(0.1)	0.1	0.1

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Company Description

Kee Ming Group specialises in M&E engineering solutions, with core expertise in industrial, DC, and RE projects

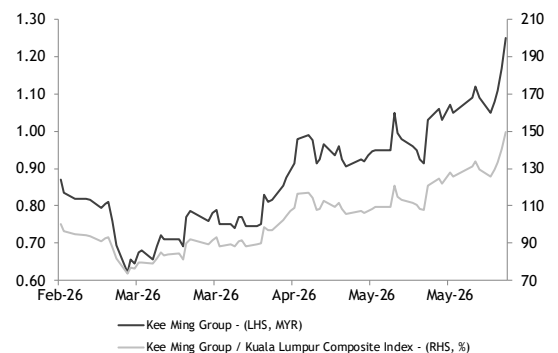
Statistics

52w high/low (MYR)	na/na
3m avg turnover (USDm)	0.4
Free float (%)	25.3
Issued shares (m)	325
Market capitalisation	MYR406.3M USD100M

Major shareholders:

Ir. LIEW KAR HOE	50.7%
SOLARVEST	23.9%

Price Performance



	-1M	-3M	-12M
Absolute (%)	32	76	na
Relative to index (%)	37	79	na

Source: FactSet

Abbreviations

DC: Data centre
 HV: High voltage
 IF: Interconnection facilities
 M&E: Mechanical and electrical

FYE 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Key Metrics					
P/E (reported) (x)	na	14.8	16.1	13.2	10.7
Core P/E (x)	na	11.0	16.1	13.2	10.7
P/BV (x)	na	3.0	3.8	3.0	2.3
P/NTA (x)	na	4.0	4.8	3.5	2.6
Net dividend yield (%)	na	0.0	0.0	0.0	0.0
FCF yield (%)	na	7.4	3.5	6.2	7.8
EV/EBITDA (x)	34.9	6.6	10.1	7.7	5.7
EV/EBIT (x)	36.3	6.8	10.3	7.9	5.8

INCOME STATEMENT (MYR m)

Revenue	62.4	151.5	241.6	298.2	367.5
EBITDA	11.6	29.6	34.4	41.9	51.3
Depreciation	(0.4)	(0.6)	(0.6)	(0.8)	(0.9)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	11.1	29.0	33.8	41.1	50.4
Net interest income / (exp)	(0.1)	(0.2)	0.4	0.6	0.9
Associates & JV	0.0	0.0	0.0	0.0	0.0
Exceptionals	(0.1)	(5.6)	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	10.9	23.2	34.2	41.7	51.4
Income tax	(2.8)	(6.9)	(8.9)	(10.8)	(13.4)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	8.2	16.3	25.3	30.8	38.0
Core net profit	8.2	21.9	25.3	30.8	38.0
Preferred Dividends	0.0	0.0	0.0	0.0	1.0

BALANCE SHEET (MYR m)

Cash & Short Term Investments	4.9	47.3	62.4	88.4	121.1
Accounts receivable	12.4	45.4	46.3	57.2	70.5
Inventory	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	3.0	3.3	2.6	3.9	5.0
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	30.8	22.6	45.2	53.3	65.6
Total assets	51.1	118.6	156.6	202.8	262.2
ST interest bearing debt	1.9	3.0	3.0	3.0	3.0
Accounts payable	23.6	34.1	47.7	59.0	72.7
LT interest bearing debt	0.4	0.4	1.1	2.1	3.1
Other liabilities	4.0	20.0	18.0	21.0	28.0
Total Liabilities	30.2	57.3	70.0	85.3	106.8
Shareholders Equity	20.9	81.3	106.5	137.4	175.4
Minority Interest	0.0	0.0	0.0	0.0	0.0
Total shareholder equity	20.9	81.3	106.5	137.4	175.4
Total liabilities and equity	51.1	138.6	176.5	222.7	282.2

CASH FLOW (MYR m)

Pretax profit	10.9	23.2	34.2	41.7	51.4
Depreciation & amortisation	0.4	0.6	0.6	0.8	0.9
Adj net interest (income)/exp	(0.1)	(0.2)	0.4	0.6	0.9
Change in working capital	(10.3)	0.1	(11.1)	(6.6)	(8.2)
Cash taxes paid	0.0	0.0	0.0	0.0	0.0
Other operating cash flow	(3.5)	(5.4)	(8.3)	(9.4)	(11.3)
Cash flow from operations	(2.6)	18.4	15.8	27.0	33.7
Capex	(0.5)	(0.6)	(1.5)	(2.0)	(2.0)
Free cash flow	(3.0)	17.8	14.3	25.0	31.7
Dividends paid	0.0	0.0	0.0	0.0	0.0
Equity raised / (purchased)	0.0	24.2	0.0	0.0	0.0
Perpetual securities	0.0	0.0	0.0	0.0	1.0
Change in Debt	0.8	0.2	0.8	1.0	1.0
Other invest/financing cash flow	0.4	0.3	0.0	0.0	0.0
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	(1.8)	42.5	15.1	26.0	33.7

FYE 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Key Ratios					
Growth ratios (%)					
Revenue growth	59.8	142.7	59.5	23.4	23.3
EBITDA growth	36.4	156.0	16.3	21.7	22.6
EBIT growth	34.7	160.9	16.5	21.7	22.7
Pretax growth	35.7	112.5	47.0	22.0	23.3
Reported net profit growth	36.0	100.0	54.7	21.9	23.3
Core net profit growth	34.8	166.8	15.2	21.9	23.3
Profitability ratios (%)					
EBITDA margin	18.5	19.5	14.2	14.0	14.0
EBIT margin	17.8	19.1	14.0	13.8	13.7
Pretax profit margin	17.5	15.3	14.1	14.0	14.0
Payout ratio	0.0	0.0	0.0	0.0	0.0
DuPont analysis					
Net profit margin (%)	13.1	10.8	10.5	10.3	10.3
Revenue/Assets (x)	1.2	1.3	1.5	1.5	1.4
Assets/Equity (x)	2.4	1.5	1.5	1.5	1.5
ROAE (%)	48.6	32.0	26.9	25.3	23.7
ROAA (%)	22.4	25.8	18.4	17.2	16.4
Liquidity & Efficiency					
Cash conversion cycle	(50.7)	(21.1)	(7.7)	(17.7)	(17.8)
Days receivable outstanding	54.9	68.7	68.4	62.5	62.5
Days inventory outstanding	0.3	0.1	0.1	0.1	0.0
Days payables outstanding	105.9	89.9	76.2	80.3	80.4
Dividend cover (x)	nm	nm	nm	nm	nm
Current ratio (x)	1.7	2.0	2.2	2.4	2.5
Leverage & Expense Analysis					
Asset/Liability (x)	1.7	2.1	2.2	2.4	2.5
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	88.2	nm	na	na	na
Debt/EBITDA (x)	0.2	0.1	0.1	0.1	0.1
Capex/revenue (%)	0.8	0.4	0.6	0.7	0.5
Net debt/ (net cash)	(2.5)	(44.0)	(58.3)	(83.3)	(115.0)

Source: Company; Maybank IBG Research

KPJ Healthcare (KPJ MK)

Growth trajectory aligned

Domestic focused, opportunistic growth

KPJ's growth strategy is increasingly centred on improving case intensity, expanding Centres of Excellence and addressing capacity constraints across its hospital network. Discussions focused on softer 1Q26 margins and occupancy, medical tourism opportunities and the group's RM4-5bn expansion plan through 2030. Growth outlook is positive on long-term demand, supported by public healthcare strain, specialist recruitment and network scale. Maintain BUY; forecasts and MYR4.15 DCF-TP unchanged.

Improvements ahead

Discussions started by addressing the softer 1Q26 margins and occupancy which were largely attributed to festive season disruptions, ward renovations and the ramp-up of newer hospitals, with management emphasising that demand remains healthy in key hospitals facing capacity constraints. KPJ continues to strengthen its competitive positioning through its nationwide network, specialist recruitment and Centres of Excellence, while medical tourism remains a growing contributor, particularly from Indonesia. Management highlighted the importance of scale as the industry moves towards greater regulation and eventual DRG implementation, with larger operators expected to benefit from procurement efficiencies, data analytics and operating leverage.

Growth plans on track

Management is targeting revenue growth of 7-9% annually, driven primarily by higher case intensity, pricing mix and specialist-led procedures rather than pure volume growth. KPJ plans to invest RM4-5bn between 2026 and 2030, adding over 2,200 beds, 400 clinics and 15 operating theatres, largely through brownfield expansion in hospitals already facing capacity constraints. KPJ has yet to have ACCs but is looking at it opportunistically. KPJ is also evolving towards an integrated healthcare system model, focusing on digitalisation, AI, genomics, and academic healthcare partnerships. Public healthcare capacity constraints, growing medical tourism demand and increasing subspecialist recruitment should continue to support medium-term growth.

Maintain BUY; MYR4.15 DCF-based SOTP unchanged

We make no changes to our FY26E-28E forecasts and maintain our TP of MYR4.15 (implied 15x FY27E EV/EBITDA). Our FY25-28E EBITDA CAGR of 11% and FY26E/27E/28E EBITDA margin expectation of 23%/24%/25% remain on track. Medical tourism continues to be a growth catalyst. Maintain BUY.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	3,899	4,258	4,517	5,067	5,575
EBITDA	937	997	1,061	1,236	1,375
Core net profit	331	365	423	536	625
Core EPS (sen)	7.6	8.3	9.7	12.2	14.3
Core EPS growth (%)	42.4	10.1	15.9	26.5	16.8
Net DPS (sen)	4.2	4.2	4.9	6.2	7.2
Core P/E (x)	32.0	32.2	32.5	25.6	22.0
P/BV (x)	4.3	4.4	4.8	4.4	4.0
Net dividend yield (%)	1.7	1.6	1.6	2.0	2.3
ROAE (%)	13.5	13.8	14.8	17.3	18.6
ROAA (%)	4.5	4.7	5.1	6.1	6.7
EV/EBITDA (x)	12.7	12.7	13.7	11.6	10.3
Net gearing (%) (incl perps)	38.8	20.7	15.2	7.9	0.0
Consensus net profit	-	-	405	437	474
MIBG vs. Consensus (%)	-	-	4.5	22.6	32.0

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BUY

Share Price	MYR 3.14
12m Price Target	MYR 4.15 (+34%)
Previous Price Target	MYR 4.15

Company Description

KPJ Healthcare Bhd. is an investment holding, which engages in the provision of healthcare services.

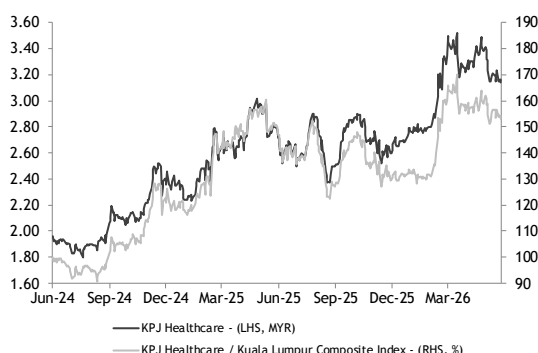
Statistics

52w high/low (MYR)	3.52/2.37
3m avg turnover (USDm)	6.2
Free float (%)	29.6
Issued shares (m)	4,527
Market capitalisation	MYR14.2B
	USD3.5B

Major shareholders:

Johor Corp.	43.4%
Employees Provident Fund	18.0%
Waqaf An-Nur Corp bhd	6.2%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(8)	(6)	12
Relative to index (%)	(5)	(4)	2

Source: FactSet

Abbreviations

DRG - Diagnosis-related groups
MHIT - Malaysia Health Insurance and Takaful Initiative
ACC - Ambulatory care centres

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	25.6	31.7	32.5	25.6	22.0
Core P/E (x)	32.0	32.2	32.5	25.6	22.0
P/BV (x)	4.3	4.4	4.8	4.4	4.0
P/NTA (x)	15.7	21.6	18.6	13.9	10.8
Net dividend yield (%)	1.7	1.6	1.6	2.0	2.3
FCF yield (%)	0.5	1.9	1.7	2.6	3.5
EV/EBITDA (x)	12.7	12.7	13.7	11.6	10.3
EV/EBIT (x)	18.1	18.4	19.7	15.9	13.8
INCOME STATEMENT (MYR m)					
Revenue	3,899.2	4,258.4	4,516.9	5,067.4	5,574.8
EBITDA	937.1	997.2	1,060.8	1,235.7	1,374.6
Depreciation	(277.8)	(309.7)	(323.0)	(334.9)	(346.1)
Amortisation	(3.2)	(0.6)	(0.7)	(0.7)	(0.7)
EBIT	656.1	686.8	737.1	900.1	1,027.9
Net interest income / (exp)	(174.9)	(173.2)	(177.1)	(179.4)	(179.2)
Associates & JV	49.4	48.8	50.8	52.4	53.9
Exceptionals	1.3	1.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	531.8	563.4	610.9	773.0	902.6
Income tax	(165.9)	(161.8)	(146.6)	(185.5)	(216.6)
Minorities	(33.7)	(35.5)	(41.1)	(52.0)	(60.7)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	332.2	366.0	423.2	535.5	625.3
Core net profit	330.9	365.0	423.2	535.5	625.3
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	614.0	1,006.3	1,134.8	1,346.0	1,627.0
Accounts receivable	781.5	785.7	833.4	935.0	1,028.6
Inventory	80.0	99.9	105.9	117.4	128.7
Property, Plant & Equip (net)	4,589.2	4,785.8	4,962.8	5,127.9	5,281.8
Intangible assets	195.4	201.7	201.0	200.3	199.7
Investment in Associates & JVs	530.1	558.3	607.0	657.9	710.2
Other assets	613.1	607.6	607.6	607.6	607.6
Total assets	7,403.2	8,045.2	8,452.5	8,992.1	9,583.6
ST interest bearing debt	329.0	268.6	268.6	268.6	268.6
Accounts payable	828.0	899.7	954.0	1,066.0	1,171.2
Insurance contract liabilities	83.2	85.3	85.3	85.3	85.3
LT interest bearing debt	1,347.3	1,359.6	1,359.6	1,359.6	1,359.6
Other liabilities	2,078.0	2,427.0	2,537.0	2,657.0	2,785.0
Total Liabilities	4,665.6	5,040.2	5,204.6	5,436.8	5,669.5
Shareholders Equity	2,536.7	2,758.1	2,959.9	3,215.3	3,513.5
Minority Interest	200.9	246.9	288.0	339.9	400.6
Total shareholder equity	2,737.6	3,005.0	3,247.9	3,555.2	3,914.1
Total liabilities and equity	7,403.2	8,045.2	8,452.5	8,992.1	9,583.6
CASH FLOW (MYR m)					
Pretax profit	531.8	563.4	610.9	773.0	902.6
Depreciation & amortisation	281.0	310.3	323.6	335.6	346.7
Change in working capital	(24.5)	74.2	5.0	1.3	3.0
Cash taxes paid	(178.1)	(155.8)	(149.7)	(187.9)	(218.1)
Other operating cash flow	(48.7)	(59.6)	(56.7)	(58.3)	(60.0)
Cash flow from operations	561.5	732.5	733.1	863.7	974.2
Capex	(506.6)	(506.3)	(500.0)	(500.0)	(500.0)
Free cash flow	54.9	226.2	233.1	363.7	474.2
Dividends paid	(187.9)	(189.0)	(227.0)	(280.1)	(327.1)
Equity raised / (purchased)	0.0	9.1	0.0	0.0	0.0
Change in Debt	(150.4)	292.8	116.8	122.7	128.8
Other invest/financing cash flow	112.1	53.2	5.6	5.0	5.1
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	(171.3)	392.3	128.5	211.2	280.9

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	14.1	9.2	6.1	12.2	10.0
EBITDA growth	23.3	6.4	6.4	16.5	11.2
EBIT growth	35.4	4.7	7.3	22.1	14.2
Pretax growth	40.7	5.9	8.4	26.5	16.8
Reported net profit growth	26.1	10.2	15.6	26.5	16.8
Core net profit growth	42.5	10.3	15.9	26.5	16.8
Profitability ratios (%)					
EBITDA margin	24.0	23.4	23.5	24.4	24.7
EBIT margin	16.8	16.1	16.3	17.8	18.4
Pretax profit margin	13.6	13.2	13.5	15.3	16.2
Payout ratio	54.5	50.5	50.5	50.5	50.5
DuPont analysis					
Net profit margin (%)	8.5	8.6	9.4	10.6	11.2
Revenue/Assets (x)	0.5	0.5	0.5	0.6	0.6
Assets/Equity (x)	2.9	2.9	2.9	2.8	2.7
ROAE (%)	13.5	13.8	14.8	17.3	18.6
ROAA (%)	4.5	4.7	5.1	6.1	6.7
Liquidity & Efficiency					
Cash conversion cycle	(6.8)	(11.8)	(14.0)	(14.8)	(15.4)
Days receivable outstanding	67.2	66.2	64.5	62.8	63.4
Days inventory outstanding	8.5	9.1	9.8	9.6	9.7
Days payables outstanding	82.5	87.1	88.3	87.2	88.6
Dividend cover (x)	1.8	2.0	2.0	2.0	2.0
Current ratio (x)	1.2	1.5	1.6	1.7	1.8
Leverage & Expense Analysis					
Asset/Liability (x)	1.6	1.6	1.6	1.7	1.7
Net gearing (%) (incl perps)	38.8	20.7	15.2	7.9	0.0
Net gearing (%) (excl. perps)	38.8	20.7	15.2	7.9	0.0
Net interest cover (x)	3.8	4.0	4.2	5.0	5.7
Debt/EBITDA (x)	1.8	1.6	1.5	1.3	1.2
Capex/revenue (%)	13.0	11.9	11.1	9.9	9.0
Net debt/ (net cash)	1,062.3	621.9	493.4	282.2	1.3

Source: Company; Maybank IBG Research

Kuala Lumpur Kepong (KLK MK)

Addressing its SYNT overhang

Upside to earnings to come from higher ASP & output

In the near term, upside risk to earnings should arise from its upstream division emanating from better-than-expected CPO ASP and output, and better downstream earnings. However, losses from its 27%-associate Synthomer (SYNT LN, Not Rated) may continue to weigh on sentiment in the near term on concerns over more impairments. HOLD with unchanged TP of MYR21.20 on 19x FY26E P/E, its -0.5SD of 7Y mean.

KLK reviewing its SYNT investment

Key discussions points at meetings were on SYNT, El Nino, growth potential, property, and ID policy. KLK assured investors that it does not engage in under-invoicing activities in ID despite most of its ID palm oil production is mainly for exports. As for El Nino, KLK has not felt the presence of El Nino just yet. On SYNT, after several years of equity accounting losses at its 27%-associate, KLK said it is reviewing its investment. Without sharing much details, KLK is considering further (presumably significant) impairment on SYNT in the near future. Positively, KLK will start to equity account the earnings from another associate - 24%-owned MP Evans (MPE LN, Not Rated), estimated to contribute about MYR80m-100m p.a.

Upstream is still immediate key growth driver

KLK confirmed the termination of industrial land sales to BYD at Tg Malim even though earthworks has been largely completed by now. KLK is seeking alternative buyers for the land. Even though the property division is touted as the next growth engine for the group, it is unlikely to be a significant contributor over the next 3 years, relying instead on its bread-and-butter CPO-related upstream and downstream divisions. KLK targets 22-23t/ha of FFB yield (+4.3% to +9.0% from FY25A's 21.1t/ha) for FY26E and FY27E respectively.

SYNT's significant impairment, if any, is non-cash

Should a significant impairment on SYNT happens, we expect immediate negative knee-jerk share price reaction [Note: KLK's carrying value of SYNT was MYR2b as per its AR2025]. Thereafter, we believe investors should turn more positive on KLK with the removal of this overhang. After all, any impairment will be non-cash in nature, and does not impact its core performance. We make no changes to our earnings forecasts.

FYE Sep (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	22,274	25,020	27,069	27,831	28,554
EBITDA	2,752	3,236	3,502	3,608	3,761
Core net profit	724	1,023	1,235	1,395	1,519
Core EPS (sen)	66.5	92.4	111.7	126.1	137.3
Core EPS growth (%)	(33.0)	39.1	20.8	12.9	8.8
Net DPS (sen)	60.0	60.0	55.8	63.1	68.6
Core P/E (x)	30.9	22.3	18.6	16.5	15.1
P/BV (x)	1.6	1.6	1.5	1.5	1.4
Net dividend yield (%)	2.9	2.9	2.7	3.0	3.3
ROAE (%)	4.2	5.8	8.5	9.2	9.5
ROAA (%)	2.4	3.3	3.9	4.3	4.5
EV/EBITDA (x)	11.9	10.4	9.5	9.0	8.4
Net gearing (%) (incl perps)	61.3	61.7	54.9	46.4	38.1
Consensus net profit	-	-	1,305	1,339	1,345
MIBG vs. Consensus (%)	-	-	(5.3)	4.2	12.9

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HOLD

Share Price	MYR 20.76
12m Price Target	MYR 21.20 (+5%)
Previous Price Target	MYR 21.20

Company Description

KLK is an integrated palm oil operator. It has a property development arm to monetise estates that are prime for development.

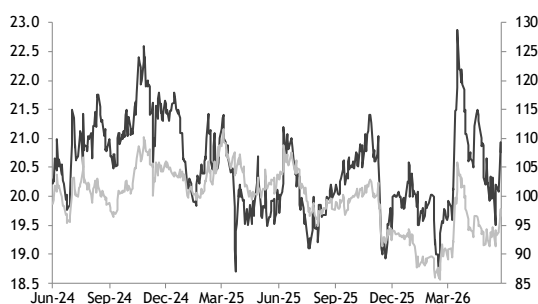
Statistics

52w high/low (MYR)	22.88/18.60
3m avg turnover (USDm)	4.3
Free float (%)	30.7
Issued shares (m)	1,116
Market capitalisation	MYR23.2B USD5.7B

Major shareholders:

Batu Kawan Bhd.	48.3%
Employees Provident Fund	19.3%
Permodalan Nasional Bhd.	2.7%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(0)	5	6
Relative to index (%)	3	7	(4)

Source: FactSet

Abbreviations

AR2025 = Annual Report 2025
ASP = Average selling price
FFB = Fresh Fruit Bunches
ID = Indonesia
SYNT = Synthomer
TP = Target price
t/ha = metric tonne per hectare

FYE 30 Sep	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	40.0	27.8	18.6	16.5	15.1
Core P/E (x)	30.9	22.3	18.6	16.5	15.1
P/BV (x)	1.6	1.6	1.5	1.5	1.4
P/NTA (x)	1.7	1.6	1.6	1.5	1.4
Net dividend yield (%)	2.9	2.9	2.7	3.0	3.3
FCF yield (%)	nm	nm	2.9	4.7	5.5
EV/EBITDA (x)	11.9	10.4	9.5	9.0	8.4
EV/EBIT (x)	19.2	15.3	13.7	13.0	12.1
INCOME STATEMENT (MYR m)					
Revenue	22,273.7	25,019.5	27,069.0	27,830.6	28,553.7
EBITDA	2,751.5	3,236.4	3,502.0	3,608.5	3,761.1
Depreciation	(1,043.3)	(1,037.9)	(1,078.5)	(1,121.3)	(1,164.1)
EBIT	1,708.2	2,198.6	2,423.5	2,487.2	2,597.0
Net interest income / (exp)	(373.6)	(419.8)	(395.8)	(372.1)	(338.5)
Associates & JV	(126.5)	(108.0)	(148.5)	(48.3)	(22.9)
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	(24.6)	(157.2)	0.0	0.0	0.0
Pretax profit	1,183.5	1,513.6	1,879.2	2,066.7	2,235.7
Income tax	(445.4)	(540.1)	(506.9)	(528.8)	(564.6)
Minorities	(147.2)	(156.3)	(136.9)	(142.8)	(152.5)
Reported net profit	591.0	817.3	1,235.4	1,395.2	1,518.6
Core net profit	724.0	1,023.1	1,235.4	1,395.2	1,518.6
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	2,391.6	2,492.2	2,879.8	3,609.1	4,442.8
Accounts receivable	3,226.5	3,707.4	4,011.1	4,123.9	4,231.1
Inventory	3,447.5	4,344.1	4,700.0	4,832.2	4,957.8
Property, Plant & Equip (net)	14,712.8	14,413.4	14,313.3	14,170.2	13,984.2
Intangible assets	411.8	419.9	411.5	403.3	395.2
Investment in Associates & JVs	2,385.1	2,168.3	2,019.8	1,971.5	1,948.6
Other assets	3,954.4	4,192.2	4,065.3	3,944.8	3,830.4
Total assets	30,529.8	31,737.6	32,400.9	33,055.2	33,790.1
ST interest bearing debt	4,806.0	5,262.9	4,999.7	4,749.8	4,512.3
Accounts payable	1,902.2	2,098.7	2,270.6	2,334.5	2,395.1
LT interest bearing debt	6,788.0	6,791.0	6,791.0	6,791.0	6,791.0
Other liabilities	2,027.0	2,098.0	2,098.0	2,098.0	2,098.0
Total Liabilities	15,522.8	16,250.9	16,159.7	15,973.6	15,796.7
Shareholders Equity	13,704.3	14,243.7	14,861.4	15,559.0	16,318.3
Minority Interest	1,302.6	1,243.0	1,379.9	1,522.6	1,675.1
Total shareholder equity	15,006.9	15,486.7	16,241.2	17,081.6	17,993.4
Total liabilities and equity	30,529.8	31,737.6	32,400.9	33,055.2	33,790.1
CASH FLOW (MYR m)					
Pretax profit	1,183.5	1,513.6	1,879.2	2,066.7	2,235.7
Depreciation & amortisation	1,043.3	1,037.9	1,078.5	1,121.3	1,164.1
Adj net interest (income)/exp	(515.7)	(472.4)	(477.3)	(467.2)	(457.6)
Change in working capital	(213.9)	(1,165.5)	(487.6)	(181.2)	(172.0)
Cash taxes paid	(398.9)	(403.7)	(506.9)	(528.8)	(564.6)
Other operating cash flow	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	1,224.8	617.9	1,634.3	2,059.2	2,228.4
Capex	(1,679.8)	(1,099.3)	(970.0)	(970.0)	(970.0)
Free cash flow	(455.0)	(481.5)	664.3	1,089.2	1,258.4
Dividends paid	(422.7)	(509.6)	(617.7)	(697.6)	(759.3)
Change in Debt	1,481.9	323.3	(263.1)	(250.0)	(237.5)
Other invest/financing cash flow	208.9	548.8	604.1	587.7	572.0
Net cash flow	813.1	(118.9)	387.6	729.3	833.7

FYE 30 Sep	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	(5.8)	12.3	8.2	2.8	2.6
EBITDA growth	3.5	17.6	8.2	3.0	4.2
EBIT growth	1.0	28.7	10.2	2.6	4.4
Pretax growth	2.7	27.9	24.1	10.0	8.2
Reported net profit growth	(29.2)	38.3	51.2	12.9	8.8
Core net profit growth	(32.4)	41.3	20.8	12.9	8.8
Profitability ratios (%)					
EBITDA margin	12.4	12.9	12.9	13.0	13.2
EBIT margin	7.7	8.8	9.0	8.9	9.1
Pretax profit margin	5.3	6.0	6.9	7.4	7.8
Payout ratio	110.6	81.2	50.0	50.0	50.0
DuPont analysis					
Net profit margin (%)	2.7	3.3	4.6	5.0	5.3
Revenue/Assets (x)	0.7	0.8	0.8	0.8	0.8
Assets/Equity (x)	2.2	2.2	2.2	2.1	2.1
ROAE (%)	4.2	5.8	8.5	9.2	9.5
ROAA (%)	2.4	3.3	3.9	4.3	4.5
Liquidity & Efficiency					
Cash conversion cycle	81.5	82.1	88.2	90.4	90.6
Days receivable outstanding	55.8	49.9	51.3	52.6	52.7
Days inventory outstanding	61.9	66.2	71.3	73.1	73.3
Days payables outstanding	36.2	34.0	34.4	35.3	35.4
Dividend cover (x)	0.9	1.2	2.0	2.0	2.0
Current ratio (x)	1.3	1.4	1.5	1.7	1.9
Leverage & Expense Analysis					
Asset/Liability (x)	2.0	2.0	2.0	2.1	2.1
Net gearing (%) (incl perps)	61.3	61.7	54.9	46.4	38.1
Net gearing (%) (excl. perps)	61.3	61.7	54.9	46.4	38.1
Net interest cover (x)	4.6	5.2	6.1	6.7	7.7
Debt/EBITDA (x)	4.2	3.7	3.4	3.2	3.0
Capex/revenue (%)	7.5	4.4	3.6	3.5	3.4
Net debt/ (net cash)	9,202.4	9,561.7	8,910.9	7,931.7	6,860.5

Source: Company; Maybank IBG Research

Lianson Fleet Group (LFG MK)

Proxy to the potential capex upcycle

Two offshore marine segments

LFG is a proxy to the potential capex upcycle via their OSV assets. It has 2 main business segments: i) OSV with a fleet of 15 vessels; and ii) marine transportation with a fleet of 38 vessels (dry bulk carriers, tugboats & barges). Consistent recurring income comes from its marine transportation segment - with all LT contracts, implying 100% utilisation (excluding dry docks/maintenance) while the OSV segment's performance is largely dependent on the oil & gas offshore capex spending environment. Maintain HOLD with an unchanged SOP-based TP of MYR1.73.

Adding at least two more bulk carriers in FY26E

We view LFG's Marine Transportation segment to be stable and would be able to rake in steady, recurring income - with a 100% utilisation and a consistent EBIT margin of 59% - as seen in 1Q26. We assume that LFG would be acquiring two more bulk carrier vessels for this segment in FY26E - which underscores our capex assumption of MYR290m for the year to factor in this development.

OSV: proxy to the potential PETRONAS capex upcycle

LFG has a fleet of 15 vessels under its OSV segment (11 AHTS, 2 AWB, 2 PSV). Following the recent oil price upcycle, we believe that there should be a multi-year PETRONAS capex upcycle beginning 2027E. Hence, the demand for OSVs should also see growth and should position LFG an OSV proxy, into an earnings-growth mode amidst higher vessel utilisation and daily charter rate (DCR) uptick. We are factoring in a 62% PAT growth from its OSV segment in FY27E.

Maintain HOLD with SOP-TP of MYR1.73

While we are projecting a strong EPS growth of 72%/27% in FY26-27E, we believe that LFG's current valuations of 16x P/E have largely priced in these positives. We maintain our HOLD call on LFG with an unchanged SOP-based TP of MYR1.73 - where we value its OSV segment on a P/E of 11x and its Marine Transportation segment on a P/E of 25x - both based on FY27E earnings.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	236	287	301	328	345
EBITDA	102	190	202	230	245
Core net profit	25	57	99	125	138
Core EPS (sen)	3.9	4.2	7.3	9.2	10.2
Core EPS growth (%)	nm	7.1	72.4	26.6	10.1
Net DPS (sen)	0.0	5.0	5.0	5.0	5.0
Core P/E (x)	25.6	49.2	23.0	18.2	16.5
P/BV (x)	1.4	3.4	2.6	2.5	2.3
Net dividend yield (%)	0.0	2.4	3.0	3.0	3.0
ROAE (%)	11.5	16.3	11.8	14.0	14.2
ROAA (%)	3.4	5.6	7.2	8.7	9.1
EV/EBITDA (x)	7.4	15.7	13.0	11.0	9.8
Net gearing (%) (incl perps)	24.5	17.9	36.4	22.9	9.3
Consensus net profit	-	-	93	126	138
MIBG vs. Consensus (%)	-	-	5.9	(0.4)	(0.0)

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HOLD

Share Price	MYR 1.68
12m Price Target	MYR 1.73 (+6%)
Previous Price Target	MYR 1.73

Company Description

Icon Offshore is one of the largest OSV operators in Malaysia by fleet size

Statistics

52w high/low (MYR)	2.24/0.79
3m avg turnover (USDm)	0.6
Free float (%)	41.2
Issued shares (m)	1,185
Market capitalisation	MYR2.0B USD491M

Major shareholders:

Liannex Corporation (S) Pte Ltd.	30.2%
Yinson Holdings Bhd.	15.6%
Hallmark Odyssey Sdn. Bhd.	2.7%

Price Performance



	-1M	-3M	-12M
Absolute (%)	1	(14)	113
Relative to index (%)	5	(13)	93

Source: FactSet

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	12.9	17.4	23.0	18.2	16.5
Core P/E (x)	25.6	49.2	23.0	18.2	16.5
P/BV (x)	1.4	3.4	2.6	2.5	2.3
P/NTA (x)	1.4	3.4	2.6	2.5	2.3
Net dividend yield (%)	0.0	2.4	3.0	3.0	3.0
FCF yield (%)	1.0	nm	nm	7.2	8.0
EV/EBITDA (x)	7.4	15.7	13.0	11.0	9.8
EV/EBIT (x)	17.5	26.4	20.4	16.3	14.2
INCOME STATEMENT (MYR m)					
Revenue	235.8	286.5	300.8	328.5	344.7
EBITDA	101.8	190.5	202.0	229.9	245.4
Depreciation	(58.5)	(77.2)	(73.0)	(75.0)	(77.0)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	43.4	113.3	129.0	154.9	168.4
Net interest income / (exp)	(10.5)	(14.2)	(21.8)	(21.2)	(20.6)
Associates & JV	0.0	(0.3)	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	32.9	98.9	107.2	133.7	147.8
Income tax	(5.8)	(8.1)	(8.5)	(8.7)	(10.3)
Minorities	18.0	11.8	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	45.0	102.7	98.7	125.0	137.6
Core net profit	24.6	57.3	98.7	125.0	137.6
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	49.0	191.4	39.8	135.0	247.4
Accounts receivable	97.7	162.2	150.9	164.8	173.0
Inventory	1.9	4.5	4.2	4.6	4.8
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	491.7	710.7	927.7	882.7	835.7
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	60.4	280.9	280.9	280.9	280.9
Total assets	700.7	1,349.7	1,403.6	1,468.0	1,541.7
ST interest bearing debt	35.2	165.4	185.4	175.4	165.4
Accounts payable	60.2	92.4	86.0	93.9	98.5
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	125.5	177.8	177.8	177.8	177.8
Other liabilities	23.0	66.0	66.0	66.0	66.0
Total Liabilities	244.2	501.9	515.5	513.4	508.0
Shareholders Equity	439.9	819.1	859.4	925.9	1,005.0
Minority Interest	16.6	28.8	28.8	28.8	28.8
Total shareholder equity	456.5	847.9	888.1	954.7	1,033.8
Total liabilities and equity	700.7	1,349.7	1,403.6	1,468.0	1,541.7
CASH FLOW (MYR m)					
Pretax profit	32.9	98.9	107.2	133.7	147.8
Depreciation & amortisation	58.5	77.2	73.0	75.0	77.0
Adj net interest (income)/exp	0.0	0.0	0.0	0.0	0.0
Change in working capital	(37.8)	(16.9)	5.1	(6.4)	(3.7)
Cash taxes paid	(3.1)	(4.4)	(8.5)	(8.7)	(10.3)
Other operating cash flow	12.6	(27.7)	0.0	0.0	0.0
Cash flow from operations	63.0	127.1	176.9	193.6	210.8
Capex	(56.6)	(197.4)	(290.0)	(30.0)	(30.0)
Free cash flow	6.4	(70.3)	(113.1)	163.6	180.8
Dividends paid	(27.1)	(22.0)	(58.5)	(58.5)	(58.5)
Equity raised / (purchased)	0.2	0.0	0.0	0.0	0.0
Change in Debt	(35.9)	(217.1)	20.0	(10.0)	(10.0)
Other invest/financing cash flow	22.8	453.6	0.0	0.0	0.0
Effect of exch rate changes	(0.8)	1.3	0.0	0.0	0.0
Net cash flow	(34.4)	145.5	(151.6)	95.2	112.4

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	18.0	21.5	5.0	9.2	4.9
EBITDA growth	14.7	87.1	6.1	13.8	6.7
EBIT growth	29.1	161.4	13.9	20.1	8.7
Pretax growth	155.2	200.7	8.4	24.7	10.5
Reported net profit growth	827.4	128.0	(3.8)	26.6	10.1
Core net profit growth	nm	132.9	72.4	26.6	10.1
Profitability ratios (%)					
EBITDA margin	43.2	66.5	67.2	70.0	71.2
EBIT margin	18.4	39.6	42.9	47.2	48.9
Pretax profit margin	14.0	34.5	35.6	40.7	42.9
Payout ratio	0.0	65.9	68.6	54.2	49.2
DuPont analysis					
Net profit margin (%)	19.1	35.8	32.8	38.1	39.9
Revenue/Assets (x)	0.3	0.2	0.2	0.2	0.2
Assets/Equity (x)	1.6	1.6	1.6	1.6	1.5
ROAE (%)	11.5	16.3	11.8	14.0	14.2
ROAA (%)	3.4	5.6	7.2	8.7	9.1
Liquidity & Efficiency					
Cash conversion cycle	4.5	44.4	(38.4)	(54.8)	(65.9)
Days receivable outstanding	110.9	163.2	187.4	173.0	176.4
Days inventory outstanding	6.8	5.2	11.6	11.7	12.4
Days payables outstanding	113.3	124.1	237.4	239.5	254.7
Dividend cover (x)	nm	1.5	1.5	1.8	2.0
Current ratio (x)	1.6	1.7	1.2	1.5	1.9
Leverage & Expense Analysis					
Asset/Liability (x)	2.9	2.7	2.7	2.9	3.0
Net gearing (%) (incl perps)	24.5	17.9	36.4	22.9	9.3
Net gearing (%) (excl. perps)	24.5	17.9	36.4	22.9	9.3
Net interest cover (x)	4.1	8.0	5.9	7.3	8.2
Debt/EBITDA (x)	1.6	1.8	1.8	1.5	1.4
Capex/revenue (%)	24.0	68.9	96.4	9.1	8.7
Net debt/ (net cash)	111.7	151.8	323.4	218.2	95.8

Source: Company; Maybank IBG Research

Life Water (LWSABAH MK)

Not Rated

Share Price

MYR 1.29

Strengthening market leadership in Sabah

Expansion and distribution strength

Life Water is Sabah's leading bottled water producer with c.11% share of Malaysia's bottled water market and ~50% share in Sabah. The group continues to benefit from capacity expansion, extensive distribution reach and vertical integration. Key discussions centred on utilisation ramp-up of newly commissioned facilities, the recent 7% selling price (ASP) increase to offset resin inflation, and management's strategy to drive growth through deeper Sabah penetration and selective FMCG acquisitions.

Deepening market penetration

Management highlighted that production capacity has expanded to 626m litres from 389m litres previously following investments in the Keningau plant and Sandakan expansion, although overall utilisation remains at only 59%, providing substantial room for organic growth. Discussions focused on improving market penetration, particularly in Tawau where market share is estimated at only 10-15% versus around 50% in Sabah overall, supported by new distribution centres, additional trucks and warehouse investments. Management also reiterated that its 5,000-point distribution network, 90-truck fleet and vertically integrated operations remain key competitive advantages and form the foundation for future FMCG-related acquisitions.

Utilisation ramp-up and margin support

Management is confident of sustaining growth, supported by organic volume expansion, utilisation ramp-up and contribution from acquired condiment manufacturer "Twinine". The group implemented a 7% ASP increase for bottled water in May 2026 to offset higher PET resin and electricity costs. While PET resin prices remain roughly 30-35% above pre-conflict levels, recent softening in raw material prices and the group's inventory position should provide near-term margin support. Management guided that current capacity should be sufficient for the next one to two years, implying lower capex requirements after FY26.

Valuation

Life Water is non-rated under our coverage. Based on Bloomberg consensus, it trades at 15.9x FY26F P/E and 13.0x FY27F P/E. Life Water is covered by three brokers, all of which have BUY recommendations, with target prices ranging from MYR1.48 to MYR1.77.

FYE Jun (MYRm)	FY21A	FY22A	FY23A	FY24A	FY25A
Revenue	104	121	151	167	173
EBITDA	27	28	36	50	51
Core net profit	18	16	21	28	30
Core EPS (sen)	3.7	3.3	4.4	5.9	6.3
Core EPS growth (%)	N/A	-10.9	31.0	36.4	6.8
Net DPS (sen)	0.0	0.0	0.0	0.0	1.6
Core P/E (x)	34.8	39.1	29.8	21.9	20.5
P/BV (x)	10.3	8.3	6.6	5.0	2.9
Net dividend yield (%)	0.0	0.0	0.0	0.0	1.2
ROAE (%)	29.6	21.2	22.0	23.0	14.4
ROAA (%)	14.8	9.9	11.9	11.6	8.9
EV/EBITDA (x)	23.0	23.4	18.0	13.3	12.2
Net gearing (%) (incl perps)	21.6	58.0	37.5	43.7	3.4

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Company Description

Life Water Bhd. operates as an investment holding company, which engages in the manufacture of beverages.

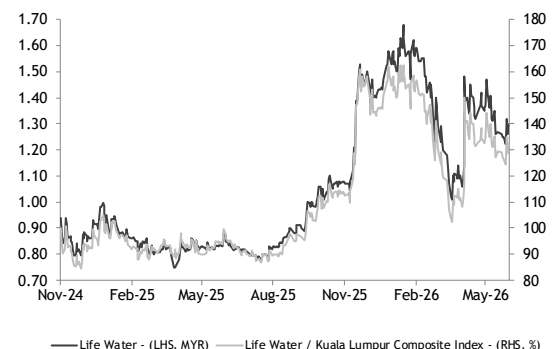
Statistics

52w high/low (MYR)	1.68/0.78
3m avg turnover (USDm)	0.6
Free float (%)	21.1
Issued shares (m)	473
Market capitalisation	MYR610.4M
	USD150M

Major shareholders:

Scarecrow Holding Sdn. Bhd.	36.2%
LIM YOUNG PIAU	18.1%
TAN HWONG KUEN	18.1%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(5)	(4)	48
Relative to index (%)	(1)	(3)	34

Source: FactSet

Abbreviations

ASP - average selling price
 FMCG - fast-moving consumer goods
 PET - Polyethylene Terephthalate

MISC Bhd (MISC MK)

Petroleum tanker rates have normalised to pre-war levels

Beneficiary of the Middle East conflict

MISC has benefitted from the Middle East conflict from higher petroleum tanker rates in April-May 2026. While MISC will likely deliver stronger profits in 2Q26, we note that spot rates have eased back to pre-war levels. As such, we expect MISC's profits to be frontloaded in 1H26 with normalisation in 2H26. Nevertheless, we believe MISC's dividend yield of ~5% should support valuations. No changes to FY26-28E forecasts. Maintain HOLD with an unchanged SOP-based TP of MYR8.50.

Expect bumper profits in 2Q26

Amid the Middle East tensions, petroleum tanker rates have surged in March-mid May 2026. As such, we believe that MISC should see stronger petroleum segment profits in 2Q26 as 30% of its fleet are on the spot rates (as at end-Dec 2025). However, this one-off bumper earnings should normalise in 2H26 as spot rates have then eased to almost pre-war levels. Meanwhile, MISC may not benefit from the uptick in LNG charter rates as 100% of its vessels are on term charters, while the ones that are laid-up are steam-based (which are not in demand).

Going through a heavy capex upcycle

MISC is going through a heavy capex upcycle, where it is set to deliver 18 LNG vessels, 5 petroleum tankers and 3 major floating assets by 2030. The 3 floating assets are: i) FPSO Kelidang; ii) FSO PNG LNG; and iii) FSRU for PETGAS. However, MISC is still looking to tender for FPSO jobs, to ride on the FPSO upcycle, but will be dependent on the ability to secure financing for the projects. To note, MISC will have 8 LNGC expiries over the next 3 years.

Maintain HOLD; TP at MYR8.50; a yield stock

In our view, MISC stands out for its: i) defensive nature from its LT LNG and petroleum tanker charters which provides recurring cash flows - which allows a consistent dividend payout; ii) relatively decent branding in the FPSO market - positioned to ride on the global deepwater capex upcycle. Our annual DPS of 38 sen (FY26-28E) offers a stable yield of ~5%, which we believe should be supportive of share price. Maintain HOLD.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	13,238	11,146	13,281	13,492	14,029
EBITDA	4,070	4,452	5,189	5,122	5,112
Core net profit	2,096	2,320	2,570	2,592	2,669
Core EPS (sen)	47.0	52.0	57.6	58.1	59.8
Core EPS growth (%)	(13.0)	10.7	10.8	0.9	3.0
Net DPS (sen)	36.0	38.0	38.0	38.0	38.0
Core P/E (x)	16.2	15.0	14.1	13.9	13.5
P/BV (x)	0.9	1.0	1.0	1.0	1.0
Net dividend yield (%)	4.7	4.9	4.7	4.7	4.7
ROAE (%)	3.1	4.7	7.5	7.3	7.4
ROAA (%)	3.3	4.1	4.9	5.0	5.2
EV/EBITDA (x)	10.7	9.5	8.4	8.4	8.3
Net gearing (%) (incl perps)	23.0	19.5	18.3	16.4	14.5
Consensus net profit	-	-	2,534	2,654	2,785
MIBG vs. Consensus (%)	-	-	1.4	(2.3)	(4.2)

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HOLD

Share Price	MYR 8.10
12m Price Target	MYR 8.50 (+10%)
Previous Price Target	MYR 8.50

Company Description

MISC is a leading provider of international energy-related maritime solutions and services

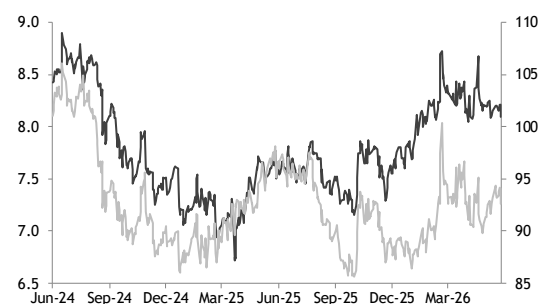
Statistics

52w high/low (MYR)	8.73/7.15
3m avg turnover (USDm)	7.4
Free float (%)	28.4
Issued shares (m)	4,464
Market capitalisation	MYR36.2B USD8.9B

Major shareholders:

Government of Malaysia	52.2%
Employees Provident Fund	15.1%
Permodalan Nasional Bhd.	7.3%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(2)	(4)	4
Relative to index (%)	2	(2)	(6)

Source: FactSet

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	29.6	19.6	14.1	13.9	13.5
Core P/E (x)	16.2	15.0	14.1	13.9	13.5
P/BV (x)	0.9	1.0	1.0	1.0	1.0
P/NTA (x)	0.9	1.0	1.0	1.0	1.0
Net dividend yield (%)	4.7	4.9	4.7	4.7	4.7
FCF yield (%)	7.3	10.6	6.8	7.2	7.1
EV/EBITDA (x)	10.7	9.5	8.4	8.4	8.3
EV/EBIT (x)	22.8	17.5	13.7	13.9	13.8
INCOME STATEMENT (MYR m)					
Revenue	13,237.5	11,146.1	13,281.0	13,492.0	14,029.4
EBITDA	4,070.4	4,452.2	5,189.3	5,122.1	5,111.6
Depreciation	(2,165.2)	(2,039.7)	(2,032.2)	(2,032.2)	(2,032.2)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	1,905.2	2,412.5	3,157.1	3,089.9	3,079.4
Net interest income / (exp)	(718.8)	(579.6)	(489.6)	(399.6)	(309.6)
Associates & JV	97.1	29.0	34.9	34.9	34.9
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	1,283.5	1,861.9	2,702.4	2,725.2	2,804.7
Income tax	(50.3)	(123.9)	(94.6)	(95.4)	(98.2)
Minorities	(39.7)	(37.9)	(37.9)	(37.9)	(37.9)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	1,193.5	1,700.1	2,569.9	2,591.9	2,668.6
Core net profit	2,096.2	2,320.2	2,569.9	2,591.9	2,668.6
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	6,676.6	6,096.4	4,375.4	2,883.6	1,433.3
Accounts receivable	6,076.3	5,663.7	6,748.5	6,855.7	7,128.8
Inventory	105.9	122.1	145.5	147.8	153.7
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	43,527.5	38,091.2	38,459.0	38,826.8	39,194.6
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	1,660.0	1,268.6	1,303.5	1,338.4	1,373.3
Other assets	2,388.9	1,772.4	1,772.4	1,772.4	1,772.4
Total assets	60,435.2	53,014.4	52,804.3	51,824.7	51,056.1
ST interest bearing debt	3,332.9	1,921.4	921.4	(78.6)	(1,078.6)
Accounts payable	5,706.2	4,585.3	5,463.6	5,550.3	5,771.5
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	12,161.4	10,959.0	9,959.0	8,959.0	7,959.0
Other liabilities	921.0	844.0	844.0	844.0	844.0
Total Liabilities	22,121.7	18,309.9	17,188.2	15,274.9	13,496.1
Shareholders Equity	37,604.1	34,007.4	34,881.1	35,776.8	36,749.1
Minority Interest	709.4	697.1	735.0	772.9	810.8
Total shareholder equity	38,313.5	34,704.5	35,616.1	36,549.7	37,559.9
Total liabilities and equity	60,435.2	53,014.4	52,804.3	51,824.6	51,056.0
CASH FLOW (MYR m)					
Pretax profit	1,283.5	1,861.9	2,702.4	2,725.2	2,804.7
Depreciation & amortisation	2,165.2	2,039.7	2,032.2	2,032.2	2,032.2
Adj net interest (income)/exp	272.8	302.8	489.6	399.6	309.6
Change in working capital	176.7	961.2	(229.9)	(22.7)	(57.9)
Cash taxes paid	(102.3)	(102.9)	(94.6)	(95.4)	(98.2)
Other operating cash flow	487.8	583.7	(34.9)	(34.9)	(34.9)
Cash flow from operations	4,283.7	5,646.4	4,864.8	5,004.0	4,955.5
Capex	(1,812.9)	(1,949.5)	(2,400.0)	(2,400.0)	(2,400.0)
Free cash flow	2,470.8	3,696.9	2,464.8	2,604.0	2,555.5
Dividends paid	(1,606.9)	(1,606.9)	(1,696.2)	(1,696.2)	(1,696.2)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(1,539.1)	(1,728.1)	(2,000.0)	(2,000.0)	(2,000.0)
Other invest/financing cash flow	(398.3)	(394.1)	(489.6)	(399.6)	(309.6)
Effect of exch rate changes	(154.8)	(436.6)	0.0	0.0	0.0
Net cash flow	(1,228.3)	(468.8)	(1,721.1)	(1,491.8)	(1,450.3)

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	(7.2)	(15.8)	19.2	1.6	4.0
EBITDA growth	(16.2)	9.4	16.6	(1.3)	(0.2)
EBIT growth	(29.7)	26.6	30.9	(2.1)	(0.3)
Pretax growth	(38.7)	45.1	45.1	0.8	2.9
Reported net profit growth	(43.8)	42.4	51.2	0.9	3.0
Core net profit growth	(13.0)	10.7	10.8	0.9	3.0
Profitability ratios (%)					
EBITDA margin	30.7	39.9	39.1	38.0	36.4
EBIT margin	14.4	21.6	23.8	22.9	21.9
Pretax profit margin	9.7	16.7	20.3	20.2	20.0
Payout ratio	134.6	99.8	66.0	65.4	63.6
DuPont analysis					
Net profit margin (%)	9.0	15.3	19.4	19.2	19.0
Revenue/Assets (x)	0.2	0.2	0.3	0.3	0.3
Assets/Equity (x)	1.6	1.6	1.5	1.4	1.4
ROAE (%)	3.1	4.7	7.5	7.3	7.4
ROAA (%)	3.3	4.1	4.9	5.0	5.2
Liquidity & Efficiency					
Cash conversion cycle	(54.9)	(55.0)	(38.5)	(38.5)	(34.9)
Days receivable outstanding	164.2	189.6	168.2	181.5	179.4
Days inventory outstanding	3.7	5.5	5.7	6.0	5.9
Days payables outstanding	222.9	250.1	212.3	226.0	220.2
Dividend cover (x)	0.7	1.0	1.5	1.5	1.6
Current ratio (x)	1.4	1.8	1.8	1.8	1.9
Leverage & Expense Analysis					
Asset/Liability (x)	2.7	2.9	3.1	3.4	3.8
Net gearing (%) (incl perps)	23.0	19.5	18.3	16.4	14.5
Net gearing (%) (excl. perps)	23.0	19.5	18.3	16.4	14.5
Net interest cover (x)	2.7	4.2	6.4	7.7	9.9
Debt/EBITDA (x)	3.8	2.9	2.1	1.7	1.3
Capex/revenue (%)	13.7	17.5	18.1	17.8	17.1
Net debt/ (net cash)	8,817.7	6,784.0	6,505.0	5,996.8	5,447.1

Source: Company; Maybank IBG Research

MN Holdings (MNHLDG MK)

DC and Power Infra proxy

BUY

Share Price MYR 2.57
 12m Price Target MYR 2.90 (+13%)
 Previous Price Target MYR 2.90

Robust project pipeline already in sight

MN Holdings (MN) expect earnings over FY27-28E to remain well supported by its MYR1.8b outstanding orderbook, primarily driven by data centre (DC) projects which represent 69% of its orderbook. While replenishment opportunities remain robust with MYR3.7b tender book. Management remains optimistic across the power infrastructure project pipeline across TNB, DC, and solar segments. Reiterate our BUY call with a TP of MYR2.90, pegged to 17x FY27 P/E.

Capitalise on early-mover advantage

Questions from investors mainly centred around project pipeline, competitive landscape, and progress on main market transfer. MN's MYR1.8b outstanding orderbook provide a solid earnings visibility across FY27-28E, with several projects with Customer A scheduled for completion by Dec26. While MN's key competitive advantage stems from its track record as an early mover in DC substation projects, coupled with experience in liaising with TNB for power related regulatory approval.

DC still active; TNB jobs ramp up in 2HCY26

Management also highlighted that tender opportunities in the DC segment still remain very active with existing clients still actively seeking for land for expansion pipeline. While there are also new DC operators that are seeking to set up a presence in Malaysia. While TNB tenders have also been ramping up in the past few quarters, with majority of tenders expected to be finalised in 3QCY26, potentially supporting 2HCY26 replenishment pipeline. Supported by the strong pipeline of utility-scale solar programme, the company is at an early stage of exploring entry into the turnkey solar EPCC segment, which could serve as new growth avenue.

Maintain BUY with unchanged MYR2.90 TP

We value MN at 17x FY27E P/E, which aligns with its 3-year mean forward P/E. MN's main market transfer is still in progress and could potentially finalise by Jul2027. We believe the successful completion of the transfer could act as a key valuation re-rating catalyst, driven by improved share liquidity and well-established local institutional shareholder base (34%).

FYE Jun (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	256	535	904	1,289	1,523
EBITDA	30	72	142	178	209
Core net profit	20	62	101	127	145
Core FDEPS (sen)	2.5	6.7	13.6	17.0	19.6
Core FDEPS growth(%)	77.5	170.2	102.6	25.2	14.8
Net DPS (sen)	0.0	0.2	0.4	0.5	0.6
Core FD P/E (x)	39.2	21.1	18.9	15.1	13.1
P/BV (x)	4.9	4.6	5.7	4.0	3.0
Net dividend yield (%)	0.0	0.1	0.1	0.2	0.2
ROAE (%)	18.2	31.0	41.4	35.4	29.4
ROAA (%)	11.5	20.8	20.6	17.6	15.5
EV/EBITDA (x)	18.6	10.9	10.5	7.8	6.3
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	101	121	133
MIBG vs. Consensus (%)	-	-	0.3	4.2	9.3

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Company Description

MN Holdings Bhd. engages in the provision of infrastructure utilities, construction services, and solutions.

Statistics

52w high/low (MYR)	2.64/1.26
3m avg turnover (USDm)	3.0
Free float (%)	59.5
Issued shares (m)	665
Market capitalisation	MYR1.7B USD421M

Major shareholders:

TOH ENG KEAT	15.4%
LOY SIONG HAY	13.5%
Kenanga Investors Bhd.	9.2%

Price Performance



	-1M	-3M	-12M
Absolute (%)	17	60	98
Relative to index (%)	22	62	79

Source: FactSet

Abbreviations

DC: Data centre
 TNB: Tenaga Nasional Berhad

FYE 30 Jun	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	18.5	13.8	16.8	13.4	11.7
Core P/E (x)	28.6	14.5	16.8	13.4	11.7
Core FD P/E (x)	39.2	21.1	18.9	15.1	13.1
P/BV (x)	4.9	4.6	5.7	4.0	3.0
P/NTA (x)	4.6	4.1	5.2	3.9	3.0
Net dividend yield (%)	0.0	0.1	0.1	0.2	0.2
FCF yield (%)	nm	6.8	5.0	6.1	4.6
EV/EBITDA (x)	18.6	10.9	10.5	7.8	6.3
EV/EBIT (x)	21.1	11.1	10.7	8.0	6.4

INCOME STATEMENT (MYR m)

Revenue	256.2	535.4	904.0	1,289.5	1,523.3
EBITDA	29.6	71.8	142.4	178.5	208.9
Depreciation	0.0	0.0	0.0	0.0	0.0
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	26.1	70.2	139.9	175.6	204.9
Net interest income / (exp)	(1.4)	(1.3)	(1.4)	(2.2)	(3.0)
Associates & JV	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	24.7	68.9	138.5	173.4	201.9
Income tax	(7.6)	(20.5)	(37.4)	(46.8)	(56.5)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	17.2	48.4	101.1	126.6	145.4
Core net profit	20.3	62.1	101.1	126.6	145.4

BALANCE SHEET (MYR m)

Cash & Short Term Investments	48.7	126.4	240.7	348.3	441.3
Accounts receivable	55.9	113.1	164.4	214.9	253.9
Inventory	89.5	138.1	167.4	257.9	304.7
Property, Plant & Equip (net)	7.4	8.9	13.6	19.8	23.9
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	4.7	3.4	4.5	4.3	4.2
Total assets	206.2	389.9	590.5	845.3	1,027.9
ST interest bearing debt	16.1	3.7	36.7	47.1	57.4
Accounts payable	55.6	118.4	192.3	268.6	304.7
Insurance contract liabilities	8.0	56.2	45.2	86.0	76.2
LT interest bearing debt	3.7	0.5	5.2	6.0	6.7
Other liabilities	4.0	16.0	16.0	16.0	16.0
Total Liabilities	87.9	195.3	296.0	424.1	461.4
Shareholders Equity	117.9	194.1	294.5	421.1	566.5
Minority Interest	0.4	0.5	0.0	0.0	0.0
Total shareholder equity	118.4	194.7	294.5	421.1	566.5
Total liabilities and equity	206.2	389.9	590.5	845.3	1,027.9

CASH FLOW (MYR m)

Pretax profit	24.7	68.9	138.5	173.4	201.9
Depreciation & amortisation	3.5	1.6	2.5	2.8	4.1
Adj net interest (income)/exp	0.0	0.0	0.0	0.0	0.0
Change in working capital	(32.3)	(7.9)	(14.8)	(20.5)	(66.5)
Cash taxes paid	(6.5)	(11.8)	(37.4)	(46.8)	(56.5)
Other operating cash flow	6.0	15.3	0.0	0.0	1.0
Cash flow from operations	(6.2)	65.7	88.8	109.0	83.9
Capex	(0.1)	(4.1)	(4.5)	(5.0)	(5.5)
Free cash flow	(6.3)	61.6	84.3	104.0	78.5
Dividends paid	0.0	0.0	0.0	0.0	1.0
Equity raised / (purchased)	28.4	36.2	22.8	0.0	0.0
Perpetual securities	0.0	0.0	0.0	0.0	1.0
Change in Debt	39.3	15.0	11.1	8.1	11.1
Other invest/financing cash flow	(34.4)	(35.0)	(3.9)	(4.5)	0.5
Effect of exch rate changes	0.0	0.0	0.0	0.0	1.0
Net cash flow	27.0	77.7	114.3	107.6	93.0

FYE 30 Jun	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	55.8	109.0	68.8	42.6	18.1
EBITDA growth	74.8	142.3	98.4	25.3	17.1
EBIT growth	89.6	168.6	99.4	25.5	16.6
Pretax growth	87.5	178.7	101.0	25.2	16.4
Reported net profit growth	84.6	181.8	109.1	25.2	14.8
Core net profit growth	47.9	206.3	62.9	25.2	14.8
Profitability ratios (%)					
EBITDA margin	11.6	13.4	15.8	13.8	13.7
EBIT margin	10.2	13.1	15.5	13.6	13.4
Pretax profit margin	9.6	12.9	15.3	13.4	13.3
Payout ratio	0.0	2.8	2.3	2.6	2.9
DuPont analysis					
Net profit margin (%)	6.7	9.0	11.2	9.8	9.5
Revenue/Assets (x)	1.2	1.4	1.5	1.5	1.5
Assets/Equity (x)	1.7	2.0	2.0	2.0	1.8
ROAE (%)	18.2	31.0	41.4	35.4	29.4
ROAA (%)	11.5	20.8	20.6	17.6	15.5
Liquidity & Efficiency					
Cash conversion cycle	110.5	79.9	54.0	46.7	53.8
Days receivable outstanding	76.2	56.8	55.3	52.9	55.4
Days inventory outstanding	133.0	97.7	75.6	74.0	82.7
Days payables outstanding	98.7	74.6	76.8	80.3	84.3
Dividend cover (x)	nm	36.4	43.8	39.2	35.0
Current ratio (x)	2.3	2.0	2.0	2.0	2.2
Leverage & Expense Analysis					
Asset/Liability (x)	2.3	2.0	2.0	2.0	2.2
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	18.6	54.6	98.0	79.5	68.7
Debt/EBITDA (x)	0.7	0.1	0.3	0.3	0.3
Capex/revenue (%)	0.0	0.8	0.5	0.4	0.4
Net debt/ (net cash)	(28.9)	(122.2)	(198.8)	(295.2)	(377.1)

Source: Company; Maybank IBG Research

MR D.I.Y. Group (M) (MRDIY MK)

Weathering challenges

BUY

Share Price MYR 1.58
 12m Price Target MYR 1.97 (+29%)
 Previous Price Target MYR 1.97

Steady outlook

MRDIY is well positioned to navigate through looming inflationary cost pressures in 2H26, given its ability to partially stave off significant product cost hikes from suppliers, and its intention to keep product prices at affordable levels to maintain sales volume momentum. A larger risk to group margins will however arise from unfavourable FX movements of MYR vs. CNY in the near term. Maintain BUY with no changes to forecasts and TP of MYR1.97 (27x FY26E P/E).

Main discussion points

Discussion points centred around the defensiveness of MRDIY in relation to the Middle East conflict's impact on input cost (eg. product costs, fuel, freight/logistics), and the duration in which the group will be able to maintain product pricing amid an expected weak consumer spending environment in 2H26. MRDIY's dividend policy was also discussed, along with the usage of its recently issued sukuk for capital management needs.

Priority is on driving sales volume

Management assured that current fuel-led cost pressures are manageable, with freight & logistics costs accounting for just 1% to 2% of revenue. Although suppliers have voiced their intention to push through price increases given a sharp increase in plastic cost, MRDIY's global procurement provides them with a degree of negotiating power. Further, gross profit margins of 49% (as at end-1Q26) also provides some breathing room to run more A&P campaigns (eg. Price-lock campaign) to keep store traffic and volume sales stable. Separately, MRDIY reiterated its intention to keep its FY26 dividend payout ratio similar to FY25 levels (DPR: 120%).

Maintain BUY with an unchanged TP of MYR1.97

We based our TP of MYR1.97 on 27x FY26E P/E, about -0.5SD to mean. Our FY26E earnings growth of +9% is premised on +155 net new stores - consistent with MRDIY's FY26 target of +155 new stores (MRDIY: +130 stores, KKV: +25 stores), and SSSG of 0%, with stable operating margins of 19%. Our model has also imputed for 100% dividend payout ratio, which translates to dividend yields of c.5%.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	4,651	4,954	5,272	5,688	6,103
EBITDA	1,170	1,288	1,354	1,430	1,473
Core net profit	569	638	695	749	771
Core EPS (sen)	6.0	6.7	7.3	7.9	8.1
Core EPS growth (%)	1.2	12.0	8.9	7.7	3.0
Net DPS (sen)	5.0	8.0	7.3	7.9	8.1
Core P/E (x)	30.8	22.7	21.5	20.0	19.4
P/BV (x)	9.0	7.2	7.4	7.4	7.4
Net dividend yield (%)	2.7	5.2	4.6	5.0	5.2
ROAE (%)	30.9	32.3	34.5	37.1	38.2
ROAA (%)	15.5	16.7	18.0	19.1	19.3
EV/EBITDA (x)	16.0	12.2	12.0	11.5	11.2
Net gearing (%) (incl perps)	net cash	net cash	net cash	5.2	11.4
Consensus net profit	-	-	697	758	787
MIBG vs. Consensus (%)	-	-	(0.3)	(1.2)	(2.1)

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Company Description

MR. D.I.Y. Group (M) Bhd. is a holding company which engages in the retail of home improvement products and mass merchandise.

Statistics

52w high/low (MYR)	1.90/1.46
3m avg turnover (USDm)	7.2
Free float (%)	24.1
Issued shares (m)	9,426
Market capitalisation	MYR14.9B USD3.7B

Major shareholders:

Bee Family Ltd.	50.0%
Employees Provident Fund	11.1%
TAN YEW TEIK	3.9%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(3)	(4)	(4)
Relative to index (%)	1	(3)	(13)

Source: FactSet

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	30.3	23.6	21.5	20.0	19.4
Core P/E (x)	30.8	22.7	21.5	20.0	19.4
P/BV (x)	9.0	7.2	7.4	7.4	7.4
P/NTA (x)	19.8	16.2	16.3	16.3	16.3
Net dividend yield (%)	2.7	5.2	4.6	5.0	5.2
FCF yield (%)	4.5	5.9	6.1	6.4	6.6
EV/EBITDA (x)	16.0	12.2	12.0	11.5	11.2
EV/EBIT (x)	22.4	17.0	16.6	15.5	15.0
INCOME STATEMENT (MYR m)					
Revenue	4,651.4	4,954.0	5,272.1	5,687.6	6,103.0
EBITDA	1,170.5	1,288.0	1,353.8	1,429.5	1,473.1
Depreciation	(329.5)	(360.1)	(363.7)	(367.0)	(366.9)
Amortisation	(5.5)	(6.0)	(8.2)	(6.2)	(5.7)
EBIT	835.5	921.8	981.9	1,056.4	1,100.5
Net interest income / (exp)	(78.7)	(71.1)	(52.9)	(55.4)	(69.7)
Associates & JV	6.4	3.6	3.6	3.6	3.6
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	763.1	854.3	932.6	1,004.5	1,034.4
Income tax	(194.2)	(216.1)	(237.5)	(255.9)	(263.6)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	568.9	638.2	695.0	748.6	770.8
Core net profit	568.9	638.2	695.0	748.6	770.8
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	276.0	225.2	112.8	69.2	4.3
Accounts receivable	148.5	93.6	99.6	107.5	115.3
Inventory	1,082.4	1,179.0	1,249.5	1,347.9	1,459.9
Property, Plant & Equip (net)	881.7	893.1	917.9	917.0	916.1
Intangible assets	7.7	10.4	7.8	7.3	7.2
Investment in Associates & JVs	60.1	93.8	118.7	143.5	168.4
Other assets	1,345.5	1,367.9	1,367.9	1,367.9	1,367.9
Total assets	3,802.0	3,863.1	3,874.3	3,960.3	4,039.2
ST interest bearing debt	128.2	94.1	94.1	94.1	94.1
Accounts payable	218.7	250.0	265.0	285.8	309.6
LT interest bearing debt	10.9	10.3	10.3	80.3	140.3
Other liabilities	1,507.0	1,550.0	1,550.0	1,550.0	1,550.0
Total Liabilities	1,864.4	1,904.7	1,919.6	2,010.5	2,094.2
Shareholders Equity	1,937.5	2,016.5	2,016.5	2,016.5	2,016.5
Minority Interest	0.0	0.0	0.0	0.0	0.0
Total shareholder equity	1,937.5	2,016.5	2,016.5	2,016.5	2,016.5
Total liabilities and equity	3,802.0	3,921.2	3,936.2	4,027.0	4,110.8
CASH FLOW (MYR m)					
Pretax profit	763.1	854.3	932.6	1,004.5	1,034.4
Depreciation & amortisation	335.0	366.1	371.9	373.2	372.6
Adj net interest (income)/exp	0.0	0.0	0.0	0.0	0.0
Change in working capital	(67.2)	(143.0)	(65.3)	(90.2)	(101.0)
Cash taxes paid	(206.0)	(210.0)	(237.5)	(255.9)	(263.6)
Other operating cash flow	37.7	42.9	0.0	0.0	0.0
Cash flow from operations	934.9	977.9	1,051.0	1,083.4	1,108.5
Capex	(144.2)	(115.8)	(144.0)	(121.5)	(121.5)
Free cash flow	790.7	862.1	907.0	961.9	987.0
Dividends paid	(397.0)	(568.3)	(695.0)	(748.6)	(770.8)
Equity raised / (purchased)	21.4	15.1	0.0	0.0	0.0
Change in Debt	(64.1)	(34.2)	0.0	70.0	60.0
Other invest/financing cash flow	(305.1)	(321.7)	(324.3)	(326.8)	(341.1)
Effect of exch rate changes	(1.2)	(1.0)	0.0	0.0	0.0
Net cash flow	44.7	(48.0)	(112.4)	(43.6)	(64.9)

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	6.7	6.5	6.4	7.9	7.3
EBITDA growth	4.2	10.0	5.1	5.6	3.0
EBIT growth	1.9	10.3	6.5	7.6	4.2
Pretax growth	1.3	11.9	9.2	7.7	3.0
Reported net profit growth	1.5	12.2	8.9	7.7	3.0
Core net profit growth	1.5	12.2	8.9	7.7	3.0
Profitability ratios (%)					
EBITDA margin	25.2	26.0	25.7	25.1	24.1
EBIT margin	18.0	18.6	18.6	18.6	18.0
Pretax profit margin	16.4	17.2	17.7	17.7	16.9
Payout ratio	83.1	118.7	100.0	100.0	100.0
DuPont analysis					
Net profit margin (%)	12.2	12.9	13.2	13.2	12.6
Revenue/Assets (x)	1.2	1.3	1.4	1.4	1.5
Assets/Equity (x)	2.0	1.9	1.9	2.0	2.0
ROAE (%)	30.9	32.3	34.5	37.1	38.2
ROAA (%)	15.5	16.7	18.0	19.1	19.3
Liquidity & Efficiency					
Cash conversion cycle	135.6	132.9	131.6	130.5	130.3
Days receivable outstanding	9.9	8.8	6.6	6.6	6.6
Days inventory outstanding	154.9	156.6	158.7	157.3	157.0
Days payables outstanding	29.1	32.5	33.6	33.4	33.3
Dividend cover (x)	1.2	0.8	1.0	1.0	1.0
Current ratio (x)	2.4	2.2	2.1	2.2	2.2
Leverage & Expense Analysis					
Asset/Liability (x)	2.0	2.0	2.0	2.0	1.9
Net gearing (%) (incl perps)	net cash	net cash	net cash	5.2	11.4
Net gearing (%) (excl. perps)	net cash	net cash	net cash	5.2	11.4
Net interest cover (x)	10.6	13.0	18.5	19.1	15.8
Debt/EBITDA (x)	0.1	0.1	0.1	0.1	0.2
Capex/revenue (%)	3.1	2.3	2.7	2.1	2.0
Net debt/ (net cash)	(136.8)	(120.9)	(8.5)	105.1	230.0

Source: Company; Maybank IBG Research

MTT Shipping and Logistics (MTTSL MK)

Riding Intra-Asia and East MY growth with fleet expansion

Doubling capacity amid firm charter market

MTT is the largest homegrown container shipping company in Malaysia, operating a fleet of 26 vessels (15 self-operated, 11 chartered), focused on domestic and Intra-Asia trade lanes. It is in the midst of a major capacity expansion, targeting a near doubling of TEU capacity with 12 newbuilds by 2029. The group is also actively optimising fleet deployment amid a tight charter market, with recent fixing rates trending c.10% higher and charter rates remaining elevated, supporting earnings resilience. It is also diversifying into chemical tankers with two vessels expected by 2H26 to support Sarawak's offshore and downstream O&G logistics ecosystem.

Expects stronger QoQ; margins remain stable

MTT's earnings profile is supported by a relatively defensive domestic exposure and a growing charter income base, which helps smooth cyclical volatility vs. peers. Bunker adjustment factors allow fuel cost increases to be largely passed through. 1Q26 performance was temporarily affected by port congestion in Westports and East Malaysia (KK Port), leading to voyage disruptions and frequency adjustments, but conditions have since normalised and no further congestion observed since Jan 2026. This should support a QoQ recovery into 2Q26.

Aims to increase domestic market shares

Structurally, MTT is benefiting from resilient intra-Asia and East Malaysia trade flows, supported by ongoing trade diversification and stable regional demand. KK Port and Pulau Indah integrated freight facilities (IFF) were completed in Apr 2026 and are ramping up to c.70-80% utilisation, enhancing customer stickiness and domestic market share. Additional IFFs in Kuching and Bintulu are expected by 2028, further strengthening its integrated logistics network. Regional volumes remain stable, with no broad-based demand weakness observed.

Currently trades at 7x FY26E consensus P/E

MTT was listed on the Main Market in Mar 2026 and is non-rated under our coverage. There is currently only one broker covering the stock with a BUY call and a target price of MYR1.25. Consensus expects FY26E-27E earnings growth of c.5-6%. Near-term earnings are underpinned by a strong charter market and post-congestion recovery, while medium-term growth is driven by fleet expansion and newbuild deliveries from 2026 onwards. It currently trades at 7x FY26E P/E.

FYE Dec (MYRm)	FY24A	FY25A
Revenue	1,198.6	1,279.9
EBITDA	378.2	476.3
Core net profit	253.4	325.7
Core EPS (sen)	19.9	25.7
Core EPS growth (%)	-	29.2
Net DPS (sen)	-	-
Core P/E (x)	4.7	3.7
P/BV (x)	0.0	0.0
Net dividend yield (%)	212.8	1,063.8
ROAE (%)	16.6	19.9
ROAA (%)	20.0	12.5
EV/EBITDA (x)	4.7	3.7
Net gearing (%) (incl perps)	34.8	27.5

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Not Rated

Share Price

MYR 0.91

Company Description

MTT Shipping & Logistics operates as a holding company with interests in container liner shipping, vessel chartering, and storage services.

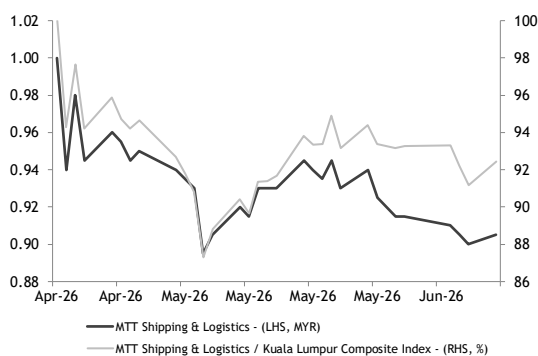
Statistics

52w high/low (MYR)	na/na
3m avg turnover (USDm)	2.1
Free float (%)	27.2
Issued shares (m)	2,500
Market capitalisation	MYR2.3B USD555M

Major shareholders:

ONG KEAN LEE	22.5%
MTT & Priority of Cos.	14.7%
OOI LEAN HIN	12.8%

Price Performance



	-1M	-3M	-12M
Absolute (%)	0	na	na
Relative to index (%)	3	na	na

Source: FactSet

Oxford Innotech (OXB MK)

Riding on dual demand tailwinds

Orderbook reaching all-time highs

OXB is a precision engineering solutions provider serving the semiconductor and data centre (DC) segments, with its orderbook at an all-time high, inclusive of firm forecasts. The semiconductor segment remains the core revenue driver, with a key customer's orders doubling YoY amid an active mass production ramp alongside a newly secured DC contract provides a second growth engine.

Semicon and DC ramp in focus

Discussion centred on order book sustainability, DC margins, and customer pipeline. The key semiconductor customer has commenced mass production with margins recovering, while the newly secured DC contract following a six-month qualification process with low switching risk as these facilities scale. DC margins are expected to be thin initially due to a learning curve, improving in the second phase. The Saudi Arabia-related pipeline remains a near-term headwind, with the customer likely to underdeliver following project scope reductions.

Upcycle narrative supported by firm demand signals

Management drew parallels to the COVID-era supply chain buildup, with on-the-ground feedback pointing to a potential 3-5 year upcycle driven by AI infrastructure and geopolitical supply chain diversification. Semiconductor capacity is being expanded aggressively, with firm forecasts extending to early 2027 with volumes to potentially exceed 2026. FY26 capex is guided at RM30m, with a surface treatment facility expected to complete in 2H27 to support margin improvement.

Valuations: FY26/27E forward P/E of 19x/16x

OXB is currently non-rated under our coverage. OXB was listed on the ACE Market on July 2025. Based on Bloomberg consensus, it trades at FY26/27 P/E of 19x/16x, a discount to its CM/Metal fab peers' average P/E of 42x/31x. Consensus expects earnings growth of 101% and 21% for FY26/27 respectively, OXB is covered by one broker with a BUY recommendation and TP of MYR0.48.

FYE Dec (MYRm)	FY21A	FY22A	FY23A	FY24A	FY25A
Revenue	25.0	34.0	50.0	93.0	63.0
EBITDA	10.0	11.0	16.0	27.0	17.0
Core net profit	7.0	8.0	8.0	16.0	7.0
Core EPS (sen)	1.0	1.1	1.1	2.3	1.0
Core EPS growth (%)	N/A	14.3	0.0	100.0	(56.3)
Net DPS (sen)	0.56	1.55	0.85	0.56	0.85
Core P/E (x)	38.0	33.3	33.3	16.6	38.0
P/BV (x)	17.8	11.6	3.6	3.3	2.1
Net dividend yield (%)	1.5	4.1	2.3	1.5	2.3
ROAE (%)	46.7	42.1	16.3	20.6	6.8
ROAA (%)	20.6	24.2	11.2	12.9	4.6
EV/EBITDA (x)	29.4	26.8	18.4	10.9	17.3
Net gearing (%) (incl perps)	Net cash	Net cash	Net debt	Net debt	Net cash

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Not Rated

Share Price

MYR 0.38

Company Description

Oxford Innotech Bhd. engages in investment holding and provision of management services.

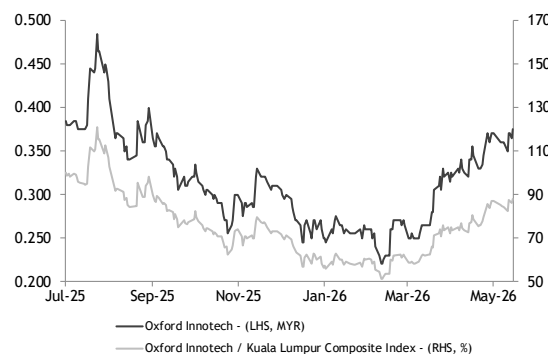
Statistics

52w high/low (MYR)	na/na
3m avg turnover (USDm)	0.2
Free float (%)	24.1
Issued shares (m)	710
Market capitalisation	MYR266.3M USD66M

Major shareholders:

NG THEAN GIN	29.6%
LEE LAI CHAN	14.7%
TEH TENG WAH	13.0%

Price Performance



	-1M	-3M	-12M
Absolute (%)	10	67	na
Relative to index (%)	15	69	na

Source: FactSet

Pekat Group (PEKAT MK)

Integrated Energy Engineering

BUY

Share Price MYR 1.64
 12m Price Target MYR 2.31 (+41%)
 Previous Price Target MYR 2.31

MYR760m orderbook support sequential earnings

Pekat expects its MYR760m orderbook to support stronger sequential earnings momentum as execution schedule ramps up across all segments. Meanwhile, the recently announced SuRIA home incentive serves as a long-awaited catalyst for its residential rooftop solar segment. Reiterate BUY rating with unchanged SOTP-TP of MYR2.31.

Eyeing new TNB tender

Key investors' questions focused on growth strategies for its diversified business segments across solar, power distribution, earth and lighting protection (ELP). Pekat's outstanding order book stood at MYR760.2m as of Mar26, comprising power distribution (46%), solar (27%), ELP (25%), and trading (2%). Pekat has recently submitted a new tender for medium voltage (MV) switchgear package with TNB valued at c.MYR300m, assuming Pekat maintains its 30-40% market share in this MV switchgear tender, Pekat is optimistic of securing an additional MYR90-120m orders in 2H26.

Addressable market of MYR1.5b from SuRIA Home

While on the solar segment, Pekat been seeing robust adoption of solar+BESS solutions in the C&I segment driven by the increasing energy cost as a result of maximum demand peak shaving and uprising AFA rate adjustments. While the recent announcement of Sustainable Rebate and Incentive Assistance (SuRIA) Home rebate of MYR3k per household, serves as a long-awaited catalyst for the residential solar segment. Management estimates that the 250MW quota under SuRIA could translate into a total addressable market of c.MYR1.5b residential rooftop solar installation in 2026. Elsewhere, Pekat's ELP segment is expected to continue grow along with the expanding DC investment pipeline in Malaysia as it commands c.50% market share in the ELP market with its solutions forming a critical component of data centre M&E design.

Maintain BUY with unchanged MYR2.31

We value Pekat with a SOTP-TP of MYR2.31, with its solar EPCC segment assigned a 25x P/E (in line with peers). The ELP and power distribution segments are valued at a 20x P/E. While we value its solar asset portfolio using DCF.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	291	610	653	724	812
EBITDA	37	84	110	130	142
Core net profit	21	47	58	70	79
Core EPS (sen)	2.9	6.5	8.0	9.7	10.9
Core EPS growth (%)	45.7	127.2	23.0	21.0	11.8
Net DPS (sen)	0.0	1.0	0.0	0.0	0.0
Core P/E (x)	34.4	24.2	20.4	16.8	15.1
P/BV (x)	4.5	3.8	3.1	2.6	2.2
Net dividend yield (%)	0.0	0.6	0.0	0.0	0.0
ROAE (%)	14.9	19.6	17.1	17.0	16.1
ROAA (%)	6.7	8.2	7.3	7.7	7.8
EV/EBITDA (x)	21.8	15.1	12.2	9.8	8.6
Net gearing (%) (incl perps)	27.7	25.0	31.1	13.3	net cash
Consensus net profit	-	-	56	65	74
MIBG vs. Consensus (%)	-	-	3.9	7.7	6.1

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Company Description

Pekat specialises in energy-related engineering solutions across the solar PV, lightning protection, and power distribution segments

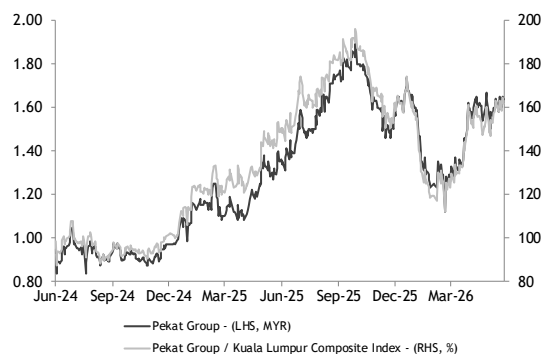
Statistics

52w high/low (MYR)	1.89/1.12
3m avg turnover (USDm)	0.5
Free float (%)	45.5
Issued shares (m)	708
Market capitalisation	MYR1.2B USD286M

Major shareholders:

CHIN SOO MAU	31.8%
TAI YEE CHEE	8.0%
WEE CHEK AIK	6.8%

Price Performance



	-1M	-3M	-12M
Absolute (%)	4	31	17
Relative to index (%)	8	33	6

Source: FactSet

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	24.8	22.6	20.4	16.8	15.1
Core P/E (x)	34.4	24.2	20.4	16.8	15.1
P/BV (x)	4.5	3.8	3.1	2.6	2.2
P/NTA (x)	4.5	3.8	3.1	2.6	2.3
Net dividend yield (%)	0.0	0.6	0.0	0.0	0.0
FCF yield (%)	0.9	nm	nm	5.4	5.9
EV/EBITDA (x)	21.8	15.1	12.2	9.8	8.6
EV/EBIT (x)	23.2	16.6	13.8	10.9	9.4
INCOME STATEMENT (MYR m)					
Revenue	291.1	609.9	652.8	723.6	812.4
EBITDA	37.0	84.1	110.3	130.4	142.1
Depreciation	(2.3)	(7.9)	(12.2)	(12.6)	(13.0)
EBIT	34.8	76.2	98.1	117.8	129.1
Net interest income / (exp)	(0.8)	(4.8)	(8.0)	(9.5)	(8.8)
Associates & JV	(0.6)	1.0	0.0	0.0	0.0
Exceptionals	1.3	(2.2)	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	34.6	70.3	90.1	108.3	120.3
Income tax	(11.8)	(19.3)	(23.4)	(28.2)	(31.3)
Minorities	(0.7)	(5.9)	(8.6)	(9.9)	(10.5)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	22.0	45.0	58.0	70.2	78.5
Core net profit	20.8	47.2	58.0	70.2	78.5
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	37.3	90.4	158.3	222.7	292.3
Accounts receivable	149.5	205.1	187.8	208.2	233.7
Inventory	94.6	115.8	101.4	110.5	124.5
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	68.9	167.1	254.6	252.0	249.0
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	82.9	136.2	174.8	164.9	155.4
Total assets	433.2	714.5	876.9	958.3	1,054.9
ST interest bearing debt	37.8	42.0	42.0	42.0	42.0
Accounts payable	89.6	141.8	124.2	135.4	152.5
LT interest bearing debt	53.7	134.6	245.0	245.0	245.0
Other liabilities	56.0	51.0	51.0	51.0	51.0
Total Liabilities	237.3	369.8	462.7	473.9	491.0
Shareholders Equity	158.7	301.8	377.5	447.7	526.2
Minority Interest	36.7	42.5	36.7	36.7	37.7
Total shareholder equity	195.4	344.3	414.2	484.4	564.0
Total liabilities and equity	432.7	714.2	876.9	958.3	1,054.9
CASH FLOW (MYR m)					
Pretax profit	34.6	70.3	90.1	108.3	120.3
Depreciation & amortisation	2.3	7.9	12.2	12.6	13.0
Adj net interest (income)/exp	(0.8)	(4.8)	(8.0)	(9.5)	(8.8)
Change in working capital	(50.9)	(19.1)	14.1	(18.3)	(22.4)
Cash taxes paid	0.0	0.0	0.0	0.0	0.0
Other operating cash flow	30.8	(11.5)	(15.4)	(18.6)	(22.5)
Cash flow from operations	15.9	42.7	92.9	74.4	79.6
Capex	(9.3)	(159.6)	(138.0)	(10.0)	(10.0)
Free cash flow	6.7	(116.9)	(45.1)	64.4	69.6
Dividends paid	(3.0)	(7.7)	0.0	0.0	0.0
Equity raised / (purchased)	0.0	102.3	17.9	0.0	0.0
Change in Debt	73.8	75.4	110.4	0.0	0.0
Other invest/financing cash flow	(67.1)	0.1	(15.4)	0.0	0.0
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	10.4	53.3	67.9	64.4	69.6

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	28.0	109.5	7.0	10.8	12.3
EBITDA growth	75.9	127.3	31.1	18.3	8.9
EBIT growth	80.9	119.4	28.6	20.1	9.5
Pretax growth	90.5	103.3	28.2	20.2	11.1
Reported net profit growth	60.5	104.5	28.9	21.0	11.8
Core net profit growth	45.7	127.2	23.0	21.0	11.8
Profitability ratios (%)					
EBITDA margin	12.7	13.8	16.9	18.0	17.5
EBIT margin	11.9	12.5	15.0	16.3	15.9
Pretax profit margin	11.9	11.5	13.8	15.0	14.8
Payout ratio	0.0	16.0	0.0	0.0	0.0
DuPont analysis					
Net profit margin (%)	7.6	7.4	8.9	9.7	9.7
Revenue/Assets (x)	0.7	0.9	0.7	0.8	0.8
Assets/Equity (x)	2.7	2.4	2.3	2.1	2.0
ROAE (%)	14.9	19.6	17.1	17.0	16.1
ROAA (%)	6.7	8.2	7.3	7.7	7.8
Liquidity & Efficiency					
Cash conversion cycle	140.6	96.5	89.3	81.5	81.1
Days receivable outstanding	139.9	104.7	108.3	98.5	97.9
Days inventory outstanding	104.0	81.3	84.5	75.7	74.5
Days payables outstanding	103.3	89.5	103.5	92.7	91.2
Dividend cover (x)	nm	6.2	nm	nm	nm
Current ratio (x)	1.7	2.1	2.4	2.7	3.0
Leverage & Expense Analysis					
Asset/Liability (x)	1.8	1.9	1.9	2.0	2.1
Net gearing (%) (incl perps)	27.7	25.0	31.1	13.3	net cash
Net gearing (%) (excl. perps)	27.7	25.0	31.1	13.3	net cash
Net interest cover (x)	42.8	15.8	12.3	12.3	14.7
Debt/EBITDA (x)	2.5	2.1	2.6	2.2	2.0
Capex/revenue (%)	3.2	26.2	21.1	1.4	1.2
Net debt/ (net cash)	54.1	86.2	128.7	64.3	(5.3)

Source: Company; Maybank IBG Research

Petronas Chemicals (PCHEM MK)

Peak ASPs in our rear-view mirror

Gradual normalising of ASPs

PCHEM is a net beneficiary of the Middle East conflict and should see a bumper profit FY26E amidst elevated O&D and F&M ASPs. While PCHEM should deliver supernormal profits in 2Q26 and 3Q26, we are mindful of the gradual tapering of ASPs - which suggests that EPS would normalise in coming quarters - rendering this upcycle unsustainable. We make no changes to our FY26-28E forecasts. Maintain HOLD with an unchanged TP of MYR5.62 - pegged to 15x FY26E P/E.

ASPs peaked in April-May 2026

Throughout the slew of meetings, we conclude that both O&D and F&M ASP peaks are in our rear-view mirror, implying ASP normalization in coming quarters - due to demand compression and easing supply chain issues. Also, based on our understanding, China is still continuing their building of new petrochemical capacities, albeit at a slower pace post-Middle East tensions. As such, we believe that this petrochemical supercycle could be unsustainable and PCHEM may not be able to repeat its FY26E performance in FY27-28E.

Will PETRONAS acquire PCHEM's 50% stake in PPC?

Recently, PETRONAS announced that it will be taking over Saudi Aramco's stake in PRefChem. Post-transaction (expected to be completed in 2H26), PRC will be 100% owned by PETRONAS (from 50:50 PETRONAS:Aramco) while PPC will be 50:50 PETRONAS:PCHEM (from 50:50 Aramco:PCHEM). Questions were mainly centered on whether PETRONAS would acquire PCHEM's remaining 50% stake in PPC - which will effectively remove PCHEM's single largest source of earnings drag and could pose a re-rating catalyst, in our view.

Positives mostly priced in at current valuations

While we believe that PCHEM would deliver supernormal profits in the remaining quarters of FY26E, we view that PCHEM's current valuations of 15x PER on FY26E EPS has mostly priced in the positives of this Middle East tension-induced upcycle. Quicker-than-expected normalisation in product spreads amidst easing supply chain issues and possible demand destruction would be downside risks to our FY26E estimates while the successful disposal of PPC would be a re-rating catalyst, in our view. Maintain HOLD with an unchanged TP of MYR5.62 - pegged to 15x FY26E P/E.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	30,671	27,480	31,408	27,928	25,988
EBITDA	4,345	946	6,866	4,651	3,935
Core net profit	1,145	(534)	2,999	985	440
Core EPS (sen)	14.3	(6.7)	37.5	12.3	5.5
Core EPS growth (%)	(32.8)	nm	nm	(67.2)	(55.3)
Net DPS (sen)	13.0	7.0	18.7	6.2	2.8
Core P/E (x)	36.1	nm	14.2	43.4	97.0
P/BV (x)	1.1	0.8	1.1	1.1	1.1
Net dividend yield (%)	2.5	1.9	3.5	1.2	0.5
ROAE (%)	3.0	(5.7)	8.2	2.6	1.2
ROAA (%)	1.9	(0.9)	5.1	1.6	0.7
EV/EBITDA (x)	8.3	25.6	5.2	7.4	8.6
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	1,953	1,155	1,387
MIBG vs. Consensus (%)	-	-	53.6	(14.7)	(68.2)

Jeremie Yap

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HOLD

Share Price	MYR 5.34
12m Price Target	MYR 5.62 (+5%)
Previous Price Target	MYR 5.62

Company Description

Petronas Chemicals Group Bhd manufactures, markets and sells petrochemicals.

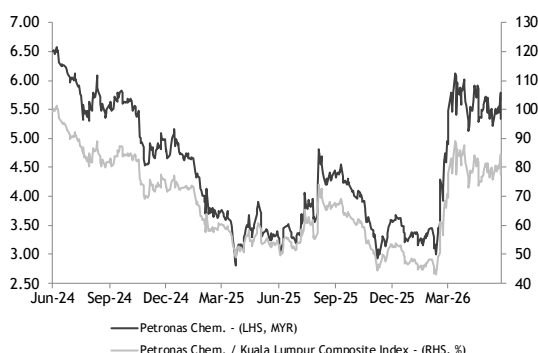
Statistics

52w high/low (MYR)	6.13/2.92
3m avg turnover (USDm)	23.5
Free float (%)	22.4
Issued shares (m)	8,000
Market capitalisation	MYR42.7B USD10.5B

Major shareholders:

Government of Malaysia	64.4%
Employees Provident Fund	12.6%
Permodalan Nasional Bhd.	5.1%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(3)	16	61
Relative to index (%)	1	18	46

Source: FactSet

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	41.6	nm	14.2	43.4	97.0
Core P/E (x)	36.1	nm	14.2	43.4	97.0
P/BV (x)	1.1	0.8	1.1	1.1	1.1
P/NTA (x)	1.1	0.8	1.1	1.1	1.1
Net dividend yield (%)	2.5	1.9	3.5	1.2	0.5
FCF yield (%)	5.3	3.7	9.5	3.5	2.6
EV/EBITDA (x)	8.3	25.6	5.2	7.4	8.6
EV/EBIT (x)	17.5	nm	8.3	16.8	24.6

INCOME STATEMENT (MYR m)

Revenue	30,671.0	27,480.0	31,407.6	27,927.8	25,987.9
EBITDA	4,345.0	946.0	6,866.2	4,650.8	3,935.2
Depreciation	(2,288.0)	(2,318.0)	(2,612.8)	(2,588.2)	(2,564.7)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	2,057.0	(1,372.0)	4,253.4	2,062.6	1,370.5
Net interest income / (exp)	(260.0)	(346.0)	(473.2)	(488.2)	(503.2)
Associates & JV	(107.0)	(174.0)	(136.8)	(136.8)	(34.0)
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	1,690.0	(1,892.0)	3,643.4	1,437.6	833.3
Income tax	(401.0)	(158.0)	(552.2)	(360.7)	(300.9)
Minorities	(114.0)	(92.0)	(92.0)	(92.0)	(92.0)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	1,175.0	(2,142.0)	2,999.3	984.9	440.4
Core net profit	1,145.0	(534.0)	2,999.3	984.9	440.4

BALANCE SHEET (MYR m)

Cash & Short Term Investments	9,931.0	9,621.0	12,485.5	13,785.1	14,996.0
Accounts receivable	4,705.0	3,655.0	3,972.1	3,532.0	3,532.0
Inventory	4,086.0	3,993.0	4,339.4	3,858.6	3,858.6
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	29,338.0	28,106.0	27,493.2	26,905.0	26,340.3
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	1,339.0	1,114.0	977.2	840.4	806.4
Other assets	10,621.0	11,201.0	11,201.0	11,201.0	11,201.0
Total assets	60,020.0	57,690.0	60,468.4	60,122.1	60,734.3
ST interest bearing debt	795.0	1,460.0	1,610.0	1,760.0	1,910.0
Accounts payable	10,054.0	10,222.0	11,108.8	9,878.0	9,878.0
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	2,419.0	2,004.0	2,154.0	2,304.0	2,454.0
Other liabilities	6,773.0	6,624.0	6,624.0	6,624.0	6,624.0
Total Liabilities	20,041.0	20,310.0	21,496.8	20,566.0	20,866.0
Shareholders Equity	38,557.0	36,015.0	37,514.6	38,007.1	38,227.3
Minority Interest	1,422.0	1,365.0	1,457.0	1,549.0	1,641.0
Total shareholder equity	39,979.0	37,380.0	38,971.6	39,556.1	39,868.3
Total liabilities and equity	60,020.0	57,690.0	60,468.4	60,122.1	60,734.3

CASH FLOW (MYR m)

Pretax profit	1,690.0	(1,892.0)	3,643.4	1,437.6	833.3
Depreciation & amortisation	2,288.0	2,318.0	2,612.8	2,588.2	2,564.7
Adj net interest (income)/exp	0.0	0.0	0.0	0.0	0.0
Change in working capital	993.0	878.0	223.3	(309.9)	0.0
Cash taxes paid	(303.0)	(367.0)	(552.2)	(360.7)	(300.9)
Other operating cash flow	(456.0)	1,819.0	136.8	136.8	34.0
Cash flow from operations	4,626.0	3,147.0	6,064.1	3,492.0	3,131.1
Capex	(2,452.0)	(2,082.0)	(2,000.0)	(2,000.0)	(2,000.0)
Free cash flow	2,174.0	1,065.0	4,064.1	1,492.0	1,131.1
Dividends paid	(1,234.0)	(483.0)	(1,499.6)	(492.4)	(220.2)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	4,158.0	(13.0)	300.0	300.0	300.0
Other invest/financing cash flow	(4,233.0)	(305.0)	0.0	0.0	0.0
Effect of exch rate changes	(207.0)	(569.0)	0.0	0.0	0.0
Net cash flow	658.0	(305.0)	2,864.5	1,299.6	1,210.9

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	7.0	(10.4)	14.3	(11.1)	(6.9)
EBITDA growth	5.1	(78.2)	625.8	(32.3)	(15.4)
EBIT growth	(4.6)	nm	nm	(51.5)	(33.6)
Pretax growth	(19.9)	nm	nm	(60.5)	(42.0)
Reported net profit growth	(30.7)	nm	nm	(67.2)	(55.3)
Core net profit growth	(32.8)	nm	nm	(67.2)	(55.3)
Profitability ratios (%)					
EBITDA margin	14.2	3.4	21.9	16.7	15.1
EBIT margin	6.7	nm	13.5	7.4	5.3
Pretax profit margin	5.5	nm	11.6	5.1	3.2
Payout ratio	88.5	nm	50.0	50.0	50.0
DuPont analysis					
Net profit margin (%)	3.8	nm	9.5	3.5	1.7
Revenue/Assets (x)	0.5	0.5	0.5	0.5	0.4
Assets/Equity (x)	1.6	1.6	1.6	1.6	1.6
ROAE (%)	3.0	(5.7)	8.2	2.6	1.2
ROAA (%)	1.9	(0.9)	5.1	1.6	0.7
Liquidity & Efficiency					
Cash conversion cycle	(20.8)	(34.7)	(59.3)	(59.9)	(60.2)
Days receivable outstanding	50.2	54.8	43.7	48.4	48.9
Days inventory outstanding	54.4	59.2	66.1	69.4	70.0
Days payables outstanding	125.4	148.7	169.1	177.7	179.2
Dividend cover (x)	1.1	(3.8)	2.0	2.0	2.0
Current ratio (x)	1.7	1.4	1.6	1.8	1.8
Leverage & Expense Analysis					
Asset/Liability (x)	3.0	2.8	2.8	2.9	2.9
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	7.9	na	9.0	4.2	2.7
Debt/EBITDA (x)	0.7	3.7	0.5	0.9	1.1
Capex/revenue (%)	8.0	7.6	6.4	7.2	7.7
Net debt/ (net cash)	(6,717.0)	(6,157.0)	(8,721.5)	(9,721.1)	(10,632.0)

Source: Company; Maybank IBG Research

QL Resources (QLG MK)

Just keep swimming

Laying a solid foundation for growth

QLG has outlined its 5 to 10 year capex plans within MPM and ILF segments to support long-term group earnings growth. That said, until its capacity expansion plans are completed, earnings growth momentum may be muted and dependant on the group's ability to garner production and cost efficiencies to keep operating margins stable. Maintain BUY with an unchanged DCF-TP of MYR4.00 (WACC: 7.4%, LT growth: 4%).

Focused on prospects and recovery

Discussion points largely concentrated on (i) key drivers to group earnings in the mid to long-term through its heavier planned capex investments of c.MYR500m p.a., (ii) MPM's near-term earnings prospects, (iii) outlook on ILF's domestic versus regional operations, and (iv) recovery potential for its Family Mart convenience stores.

MPM & ILF segments to drive earnings in the LT

With MYR2.6b in capex planned over the next 5 years, c.74% of this has been earmarked for capacity expansion within MPM and ILF. QLG aims to grow its MPM downstream business with a wider RTC/RTE product offering (incl. chicken, soy & flour-based products), in conjunction with added capacity (+130k MT p.a.) once its QL Innofood Park is completed. Regional expansion in layer farming (Vietnam and Indonesia) will also be prioritized as regional egg demand and ASP trends are more favourable, as compared to domestic supply-demand dynamics and volatility in ASPs. QLG maintained its long-term target of 600 Family Mart stores by 2027/2028 (490 stores as at end-4QFY26) but acknowledged that new store openings has slowed down recently given a softer consumer spending environment.

Maintain BUY with an unchanged DCF-TP of MYR4.00

We value QLG on a DCF-basis (WACC: 7.4%, LT growth: 4%) with a TP of MYR4.00. This translates to 29x FY27E P/E with dividend yields of c.1%. QLG plans to increase capacity within the MPM and ILF segments but it will take 5-10 years for this to fully translate to group earnings. Hence, we have projected for moderate earnings growth of 4%-6% from FY27E-FY29E, attributed to margin improvements in MPM and incremental earnings contribution increases from BMGREEN (BMGREEN MK, BUY, TP: MYR2.18).

FYE Mar (MYR m)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue	7,048	7,047	7,928	8,325	8,763
EBITDA	991	964	933	946	981
Core net profit	455	450	469	479	509
Core EPS (sen)	12.5	12.3	12.8	13.1	13.9
Core EPS growth (%)	3.9	(1.0)	4.1	2.3	6.1
Net DPS (sen)	5.0	5.0	5.0	5.0	5.0
Core P/E (x)	37.5	30.0	29.2	28.5	26.9
P/BV (x)	5.4	4.0	3.8	3.5	3.2
Net dividend yield (%)	1.1	1.4	1.3	1.3	1.3
ROAE (%)	14.9	13.8	13.4	12.7	12.4
ROAA (%)	8.0	7.5	7.5	7.2	7.3
EV/EBITDA (x)	17.9	14.6	15.1	14.7	13.9
Net gearing (%) (incl perps)	9.0	4.2	0.7	net cash	net cash
Consensus net profit	-	-	469	494	520
MIBG vs. Consensus (%)	-	-	(0.0)	(2.8)	(2.2)

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BUY

Share Price	MYR 3.75
12m Price Target	MYR 4.00 (+8%)
Previous Price Target	MYR 4.00

Company Description

QL Resources Bhd. engages in the livestock farming, surimi manufacturing, and palm oil businesses.

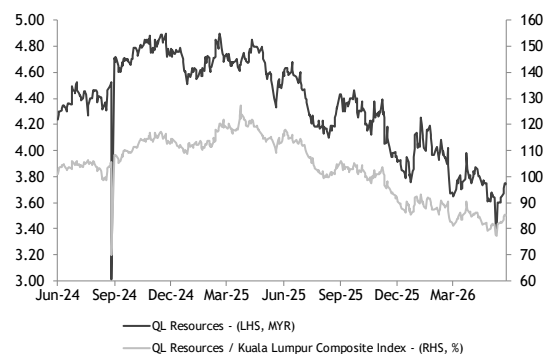
Statistics

52w high/low (MYR)	4.68/3.40
3m avg turnover (USDm)	5.3
Free float (%)	28.6
Issued shares (m)	3,650
Market capitalisation	MYR13.7B USD3.4B

Major shareholders:

Cbg L Pte Ltd.	40.3%
Pelita Global Sdn. Bhd.	12.1%
Farsathy Holdings Sdn. Bhd.	11.6%

Price Performance



	-1M	-3M	-12M
Absolute (%)	1	(1)	(17)
Relative to index (%)	5	1	(24)

Source: FactSet

FYE 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Key Metrics					
P/E (reported) (x)	36.4	34.7	29.2	28.5	26.9
Core P/E (x)	37.5	30.0	29.2	28.5	26.9
P/BV (x)	5.4	4.0	3.8	3.5	3.2
P/NTA (x)	5.7	4.3	4.0	3.7	3.4
Net dividend yield (%)	1.1	1.4	1.3	1.3	1.3
FCF yield (%)	3.6	2.6	2.6	3.1	3.3
EV/EBITDA (x)	17.9	14.6	15.1	14.7	13.9
EV/EBIT (x)	25.0	21.0	20.7	20.1	18.9
INCOME STATEMENT (MYR m)					
Revenue	7,047.7	7,047.4	7,927.7	8,324.8	8,762.9
EBITDA	991.2	964.1	933.5	946.3	981.1
Depreciation	(281.0)	(292.4)	(253.6)	(256.0)	(258.3)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	710.2	671.7	679.9	690.3	722.8
Net interest income / (exp)	(46.3)	(35.5)	(18.8)	(14.0)	(7.4)
Associates & JV	1.8	3.4	3.4	3.4	3.4
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	665.8	639.6	664.5	679.7	718.8
Income tax	(168.8)	(147.9)	(153.6)	(157.1)	(166.2)
Minorities	(42.0)	(41.4)	(42.3)	(43.1)	(44.0)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	455.0	450.4	468.7	479.5	508.7
Core net profit	455.0	450.4	468.7	479.5	508.7
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	687.4	742.8	871.1	1,048.3	1,253.1
Accounts receivable	633.3	620.9	698.4	733.4	772.0
Inventory	909.5	949.1	1,079.4	1,137.0	1,197.0
Property, Plant & Equip (net)	2,373.4	2,396.1	2,442.6	2,486.5	2,528.2
Intangible assets	189.6	189.1	189.1	189.1	189.1
Investment in Associates & JVs	28.6	30.5	14.0	17.3	20.7
Other assets	1,080.9	1,177.3	1,177.3	1,177.3	1,177.3
Total assets	5,902.7	6,105.7	6,471.8	6,789.0	7,137.4
ST interest bearing debt	877.4	779.3	779.3	779.3	779.3
Accounts payable	707.8	779.2	886.2	933.6	982.8
LT interest bearing debt	128.7	120.5	120.5	120.5	120.5
Other liabilities	633.0	663.0	663.0	663.0	663.0
Total Liabilities	2,347.2	2,342.3	2,449.2	2,496.6	2,545.8
Shareholders Equity	3,162.6	3,350.3	3,636.4	3,933.4	4,259.6
Minority Interest	392.9	413.2	386.1	359.0	332.0
Total shareholder equity	3,555.5	3,763.5	4,022.6	4,292.4	4,591.6
Total liabilities and equity	5,902.7	6,105.7	6,471.8	6,789.0	7,137.4
CASH FLOW (MYR m)					
Pretax profit	665.8	639.6	664.5	679.7	718.8
Depreciation & amortisation	281.0	292.4	253.6	256.0	258.3
Adj net interest (income)/exp	46.3	35.5	18.8	14.0	7.4
Change in working capital	86.5	(53.8)	(100.9)	(45.3)	(49.3)
Cash taxes paid	(171.1)	(155.9)	(153.6)	(157.1)	(166.2)
Other operating cash flow	8.9	(42.2)	(3.4)	(3.4)	(3.4)
Cash flow from operations	898.7	689.2	654.8	724.5	752.9
Capex	(284.9)	(333.3)	(300.0)	(300.0)	(300.0)
Free cash flow	613.8	355.9	354.8	424.5	452.9
Dividends paid	(176.4)	(182.5)	(182.5)	(182.5)	(182.5)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(73.4)	(40.3)	0.0	0.0	0.0
Other invest/financing cash flow	(92.2)	(58.8)	6.8	6.8	6.8
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	271.9	74.3	179.1	248.8	277.1

FYE 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Key Ratios					
Growth ratios (%)					
Revenue growth	5.9	(0.0)	12.5	5.0	5.3
EBITDA growth	4.2	(2.7)	(3.2)	1.4	3.7
EBIT growth	3.0	(5.4)	1.2	1.5	4.7
Pretax growth	6.3	(3.9)	3.9	2.3	5.8
Reported net profit growth	3.9	(1.0)	4.1	2.3	6.1
Core net profit growth	3.9	(1.0)	4.1	2.3	6.1
Profitability ratios (%)					
EBITDA margin	14.1	13.7	11.8	11.4	11.2
EBIT margin	10.1	9.5	8.6	8.3	8.2
Pretax profit margin	9.4	9.1	8.4	8.2	8.2
Payout ratio	40.1	40.5	38.9	38.1	35.9
DuPont analysis					
Net profit margin (%)	6.5	6.4	5.9	5.8	5.8
Revenue/Assets (x)	1.2	1.2	1.2	1.2	1.2
Assets/Equity (x)	1.9	1.8	1.8	1.7	1.7
ROAE (%)	14.9	13.8	13.4	12.7	12.4
ROAA (%)	8.0	7.5	7.5	7.2	7.3
Liquidity & Efficiency					
Cash conversion cycle	47.5	44.0	40.3	41.6	41.6
Days receivable outstanding	33.6	32.0	30.0	31.0	30.9
Days inventory outstanding	59.7	60.0	57.6	59.7	59.7
Days payables outstanding	45.8	48.0	47.3	49.0	49.1
Dividend cover (x)	2.5	2.5	2.6	2.6	2.8
Current ratio (x)	1.5	1.6	1.7	1.8	1.9
Leverage & Expense Analysis					
Asset/Liability (x)	2.5	2.6	2.6	2.7	2.8
Net gearing (%) (incl perps)	9.0	4.2	0.7	net cash	net cash
Net gearing (%) (excl. perps)	9.0	4.2	0.7	net cash	net cash
Net interest cover (x)	15.3	18.9	36.2	49.3	98.3
Debt/EBITDA (x)	1.0	0.9	1.0	1.0	0.9
Capex/revenue (%)	4.0	4.7	3.8	3.6	3.4
Net debt/ (net cash)	318.7	157.0	28.7	(148.5)	(353.2)

Source: Company; Maybank IBG Research

SD Guthrie (SDG MK)

On the right track sweating its assets

New business verticals key to sustain earnings growth

SDG reiterated its MYR500m-700m a year profit target from the new business verticals announced back in 2024. In some years, SDG may even beat its own target, giving upside to earnings. It is still working to secure its first LSS project aimed at providing sustainable future income. SDG is a BUY with unchanged TP of MYR6.69 on 0.55x RNAV.

Maintains single-digit FFB output growth for 2026

Key discussion points at meetings were on industrial JV development, RE, El Nino, fertiliser and ID export policy. SDG has yet to feel the presence of El Nino at its estates although there are pockets of estates in MY (namely Johor and northern part of PM) that were drier-than-usual in the early parts of 2026 (which has since normalised). It still expects single-digit FFB growth for FY26. On ID, SDG assured investors that it does not engage in under-invoicing activities in ID although most of its production there is exported. As for fertiliser, SDG has fully locked in its 2026 requirements although two suppliers have asked for a revision for urea prices for 2H26 by +8-10%. SDG maintains its 2026 cost guidance (at MYR2,700/t). On downstream, SDG expects 2Q26 downstream margin to remain weak.

Superior genetic materials key to future-proof yields

SDG has identified >10,000 acres of land for value unlocking over the next 5 years via JV industrial development in collaboration with federal and state agencies. JS-SEZ, MVV2.0 and KIC are three key focus areas for value unlocking. On its RE initiative, SDG is keeping its 1GW aspiration. And over the longer term, SDG is optimistic that its genomics investment in producing superior genetic materials is key to future-proof yields (see our [related report](#)) and deliver organic growth amidst land scarcity.

On multiple growth engines

We make no changes to our earnings forecasts. We like SDG for its multiple growth engines, from its bread and butter upstream and downstream divisions, to its new business verticals. SDG is also open to opportunistic M&A but at the right price and location. Recent [media report](#) stated that SDG submitted a bid for Boustead Plantations upstream assets in Malaysia (but did not divulge any details).

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	19,831	20,895	21,908	22,502	23,126
EBITDA	4,134	4,966	5,027	5,025	5,220
Core net profit	1,570	2,360	2,402	2,356	2,459
Core EPS (sen)	22.7	34.1	34.7	34.1	35.6
Core EPS growth (%)	79.4	50.3	1.7	(1.9)	4.4
Net DPS (sen)	16.4	18.1	17.4	17.0	17.8
Core P/E (x)	21.8	16.8	17.3	17.6	16.9
P/BV (x)	1.9	2.2	2.1	2.0	1.9
Net dividend yield (%)	3.3	3.2	2.9	2.8	3.0
ROAE (%)	11.9	13.6	12.7	11.8	11.6
ROAA (%)	4.9	7.4	7.5	7.1	7.2
EV/EBITDA (x)	9.5	9.0	9.2	9.1	8.6
Net gearing (%) (incl perps)	22.2	22.2	20.0	16.7	12.4
Consensus net profit	-	-	2,411	2,400	2,173
MIBG vs. Consensus (%)	-	-	(0.4)	(1.8)	13.2

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BUY

Share Price	MYR 6.00
12m Price Target	MYR 6.69 (+14%)
Previous Price Target	MYR 6.69

Company Description

SD Guthrie (formerly Sime Darby Plantation) is an integrated plantation company with the largest oil palm planted area, and largest CSPO producer.

Statistics

52w high/low (MYR)	6.30/4.49
3m avg turnover (USDm)	20.7
Free float (%)	48.0
Issued shares (m)	6,916
Market capitalisation	MYR41.5B
	USD10.2B

Major shareholders:

Permodalan Nasional Berhad (total)	55.1%
EPF	15.2%
KWAP	6.6%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(2)	4	33
Relative to index (%)	2	6	20

Source: FactSet

Abbreviations

ASP = Average selling price
FFB = Fresh Fruit Bunches
ID = Indonesia
JS-SEZ = Johor Singapore Special Economics Zone
KIC = Kulim Industrial Corridor
LSS = Large scale solar
MVV = Malaysian Vision Valley
MY = Malaysia
RE = Renewable Energy
TP = Target price
t/ha = metric tonne per hectare

see related report -> ["Roots of profits: Better seeds, better yields"](#) issued on 8 June 2026

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	14.5	13.7	17.3	17.6	16.9
Core P/E (x)	21.8	16.8	17.3	17.6	16.9
P/BV (x)	1.9	2.2	2.1	2.0	1.9
P/NTA (x)	2.2	2.6	2.5	2.3	2.2
Net dividend yield (%)	3.3	3.2	2.9	2.8	3.0
FCF yield (%)	2.1	3.6	3.3	4.0	4.9
EV/EBITDA (x)	9.5	9.0	9.2	9.1	8.6
EV/EBIT (x)	14.7	12.6	13.1	13.2	12.5
INCOME STATEMENT (MYR m)					
Revenue	19,831.0	20,895.0	21,907.9	22,501.6	23,125.9
EBITDA	4,133.8	4,966.0	5,027.2	5,025.2	5,219.7
Depreciation	(1,452.8)	(1,424.0)	(1,490.0)	(1,556.0)	(1,622.0)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	2,681.0	3,542.0	3,537.3	3,469.2	3,597.7
Net interest income / (exp)	(119.0)	(63.0)	(80.8)	(76.8)	(59.9)
Associates & JV	(28.0)	(9.0)	(6.0)	(6.0)	(6.0)
Exceptionals	605.0	60.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	3,139.0	3,530.0	3,450.4	3,386.4	3,531.9
Income tax	(796.0)	(842.0)	(833.5)	(816.5)	(855.0)
Minorities	(55.0)	(61.0)	(91.0)	(89.3)	(93.0)
Perpetual securities	(124.0)	(124.0)	(124.3)	(124.3)	(124.3)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	2,164.0	2,503.0	2,401.7	2,356.3	2,459.5
Core net profit	1,570.3	2,360.5	2,401.7	2,356.3	2,459.5
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	625.0	624.0	625.0	962.0	1,610.2
Accounts receivable	1,631.0	1,989.0	2,100.8	2,157.7	2,217.5
Inventory	2,842.0	2,802.0	3,191.9	3,514.4	3,565.4
Property, Plant & Equip (net)	19,365.0	19,341.0	19,501.1	19,595.1	19,623.2
Intangible assets	2,995.0	2,732.0	2,732.0	2,732.0	2,732.0
Investment in Associates & JVs	425.0	634.0	928.0	1,222.0	1,516.0
Other assets	4,164.0	3,621.0	3,620.0	3,620.0	3,620.0
Total assets	32,047.0	31,743.0	32,698.8	33,803.2	34,884.3
ST interest bearing debt	1,784.0	539.0	339.0	139.0	(61.0)
Accounts payable	1,004.6	1,004.6	925.0	1,018.5	1,033.2
LT interest bearing debt	3,537.0	4,713.0	4,713.0	4,713.0	4,713.0
Other liabilities	4,560.0	4,615.0	4,615.0	4,615.0	4,615.0
Total Liabilities	10,886.0	10,872.0	10,592.4	10,485.9	10,300.7
Shareholders Equity	18,487.0	18,239.0	19,439.4	20,617.1	21,846.3
Minority Interest	443.0	401.0	436.0	469.3	506.3
Total shareholder equity	18,930.0	18,640.0	19,875.3	21,086.3	22,352.6
Perpetual securities	2,231.0	2,231.0	2,231.0	2,231.0	2,231.0
Total liabilities and equity	32,047.0	31,743.0	32,698.8	33,803.2	34,884.3
CASH FLOW (MYR m)					
Pretax profit	3,139.0	3,530.0	3,450.4	3,386.4	3,531.9
Depreciation & amortisation	1,452.8	1,424.0	1,490.0	1,556.0	1,622.0
Adj net interest (income)/exp	119.0	63.0	80.8	76.8	59.9
Change in working capital	(645.0)	(498.0)	(580.2)	(286.0)	(96.1)
Cash taxes paid	(614.0)	(450.0)	(783.5)	(766.5)	(805.0)
Other operating cash flow	(657.8)	(373.0)	(600.0)	(600.0)	(600.0)
Cash flow from operations	2,757.0	3,598.0	3,013.5	3,322.7	3,668.5
Capex	(2,042.0)	(2,183.0)	(1,650.0)	(1,650.0)	(1,650.0)
Free cash flow	715.0	1,415.0	1,363.5	1,672.7	2,018.5
Dividends paid	(1,156.0)	(1,402.0)	(1,257.3)	(1,234.6)	(1,286.2)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(120.0)	(183.0)	(200.0)	(200.0)	(200.0)
Perpetual securities distribution	(124.0)	(124.0)	(124.3)	(124.3)	(124.3)
Other invest/financing cash flow	477.0	281.0	219.2	223.2	240.1
Effect of exch rate changes	3.0	12.0	0.0	0.0	0.0
Net cash flow	(208.0)	(13.0)	1.0	337.0	648.1

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	7.6	5.4	4.8	2.7	2.8
EBITDA growth	29.5	20.1	1.2	(0.0)	3.9
EBIT growth	52.3	32.1	(0.1)	(1.9)	3.7
Pretax growth	14.1	12.5	(2.3)	(1.9)	4.3
Reported net profit growth	16.3	15.7	(4.0)	(1.9)	4.4
Core net profit growth	79.4	50.3	1.7	(1.9)	4.4
Profitability ratios (%)					
EBITDA margin	20.8	23.8	22.9	22.3	22.6
EBIT margin	13.5	17.0	16.1	15.4	15.6
Pretax profit margin	15.8	16.9	15.7	15.0	15.3
Payout ratio	52.3	50.0	50.0	50.0	50.0
DuPont analysis					
Net profit margin (%)	10.9	12.0	11.0	10.5	10.6
Revenue/Assets (x)	0.6	0.7	0.7	0.7	0.7
Assets/Equity (x)	1.7	1.7	1.7	1.6	1.6
ROAE (%)	11.9	13.6	12.7	11.8	11.6
ROAA (%)	4.9	7.4	7.5	7.1	7.2
Liquidity & Efficiency					
Cash conversion cycle	93.5	119.5	120.3	126.3	130.0
Days receivable outstanding	28.1	31.2	33.6	34.1	34.1
Days inventory outstanding	103.0	137.1	127.8	129.9	135.2
Days payables outstanding	37.6	48.8	41.1	37.6	39.2
Dividend cover (x)	1.9	2.0	2.0	2.0	2.0
Current ratio (x)	1.5	2.0	2.4	2.8	3.2
Leverage & Expense Analysis					
Asset/Liability (x)	2.9	2.9	3.1	3.2	3.4
Net gearing (%) (incl perps)	22.2	22.2	20.0	16.7	12.4
Net gearing (%) (excl. perps)	24.8	24.8	22.3	18.4	13.6
Net interest cover (x)	22.5	56.2	43.8	45.2	60.1
Debt/EBITDA (x)	1.3	1.1	1.0	1.0	0.9
Capex/revenue (%)	10.3	10.4	7.5	7.3	7.1
Net debt/ (net cash)	4,696.0	4,628.0	4,427.0	3,890.0	3,041.8

Source: Company; Maybank IBG Research

Sime Darby Bhd (SIME MK)

Cautious optimism ahead

Gradual recovery ahead

SIME remains cautiously optimistic on its outlook despite near-term volatility. Key drivers include ongoing EV transition momentum across key markets and improving China auto outlook, supported by tighter discounting and OEM incentives. On the Industrial side, demand remains uneven as miners stay cautious on capex and maintenance spend, though early signs of recovery are emerging in DC-related power systems and copper-linked regions over the medium term, which could support a gradual recovery into 1HFY27.

MY EV policy and CN motor outlook key discussions

Within Motor, EV demand in Malaysia remains resilient even post-CBU tax incentives, though sustainability will depend on CKD localisation progress and clearer policy direction ahead. Inokom's capacity is viewed as adequate for potential new partnerships, but execution remains a key uncertainty, with BYD CKD discussions still ongoing. In China, outlook has improved on reduced discounting and leaner operations, but near-term earnings remain highly dependent on OEM support, with potential BMW rebates in 4QFY26E key to breakeven. UMW Motor is supported by strong backlogs from Perodua (c.43k units) and Toyota (c.11k units), while the Equipment segment remains competitive.

Industrial supported by DC demand and deferred spending

For Industrial, miners continue to defer spending amid elevated energy costs, but management expects a gradual recovery as delayed spending resume, supported by a recent large order. Data centre-related power systems remain a key growth driver, with a strong orderbook despite project timing delays, and c.60% of Malaysia's orderbook now linked to DC-related projects. Overall, gradual improvement is expected into 1HFY27 as deferred maintenance and mining replacement cycles normalise.

Maintain BUY on recovery outlook

We maintain our forecasts and SOP-TP of MYR2.53 on SIME and reiterate BUY. Looking ahead, Motor should remain supported by EV adoption and OEM incentives, while Industrial is positioned for cyclical recovery as deferred spending returns. UMW outlook remains underpinned by strong Perodua and Toyota backlogs, partially offset by continued competitive pressure in Equipment.

FYE Jun (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	67,132	70,061	70,044	70,935	71,839
EBITDA	4,516	5,205	3,947	3,674	3,407
Core net profit	1,289	1,160	1,271	1,421	1,531
Core EPS (sen)	18.9	17.0	18.6	20.8	22.5
Core EPS growth (%)	10.8	(10.0)	9.6	11.8	7.8
Net DPS (sen)	9.5	8.5	9.3	10.4	11.2
Core P/E (x)	13.9	9.7	11.1	9.9	9.2
P/BV (x)	0.9	0.6	0.7	0.6	0.6
Net dividend yield (%)	3.6	5.2	4.5	5.0	5.4
ROAE (%)	6.9	10.7	6.3	6.6	6.9
ROAA (%)	2.9	2.3	2.7	3.0	3.2
EV/EBITDA (x)	6.3	3.5	4.7	4.4	4.2
Net gearing (%) (incl perps)	34.7	17.5	5.0	net cash	net cash
Consensus net profit	-	-	1,400	1,449	1,495
MIBG vs. Consensus (%)	-	-	(9.2)	(1.9)	2.4

BUY

Share Price	MYR 2.07
12m Price Target	MYR 2.53 (+26%)
Previous Price Target	MYR 2.53

Company Description

Sime Darby is a conglomerate engaged in three core businesses - industrial equipment, motors, ports & utilities.

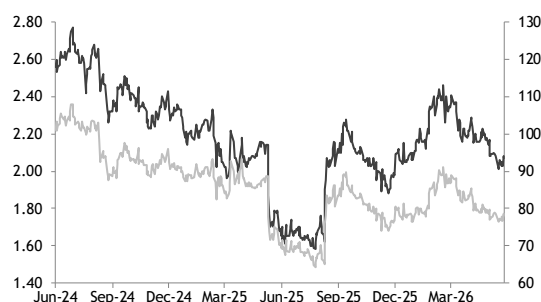
Statistics

52w high/low (MYR)	2.46/1.58
3m avg turnover (USDm)	4.9
Free float (%)	78.6
Issued shares (m)	6,816
Market capitalisation	MYR14.1B USD3.5B

Major shareholders:

Employees Provident Fund	16.9%
Kumpulan Wang Persaraan	7.0%
Bumiputra Investment Foundation	4.2%

Price Performance



— Sime Darby - (LHS, MYR) — Sime Darby / Kuala Lumpur Composite Index - (RHS, %)

	-1M	-3M	-12M
Absolute (%)	(6)	(12)	19
Relative to index (%)	(2)	(10)	8

Source: FactSet

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FYE 30 Jun	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	13.2	7.5	11.1	9.9	9.2
Core P/E (x)	13.9	9.7	11.1	9.9	9.2
P/BV (x)	0.9	0.6	0.7	0.6	0.6
P/NTA (x)	1.1	0.7	0.8	0.7	0.7
Net dividend yield (%)	3.6	5.2	4.5	5.0	5.4
FCF yield (%)	nm	47.1	27.5	23.5	21.2
EV/EBITDA (x)	6.3	3.5	4.7	4.4	4.2
EV/EBIT (x)	11.2	8.4	10.3	8.5	7.3
INCOME STATEMENT (MYR m)					
Revenue	67,132.0	70,061.0	70,043.7	70,935.1	71,839.2
EBITDA	4,516.0	5,205.0	3,946.5	3,674.4	3,407.0
Depreciation	(2,018.0)	(2,126.0)	(2,162.2)	(1,773.0)	(1,453.8)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	2,529.0	2,185.0	1,784.4	1,901.5	1,953.1
Net interest income / (exp)	(577.0)	(541.0)	(297.0)	(186.8)	(74.0)
Associates & JV	260.0	513.0	528.4	539.0	549.7
Exceptionals	(31.0)	894.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	2,181.0	3,051.0	2,015.8	2,253.6	2,428.9
Income tax	(698.0)	(663.0)	(524.1)	(585.9)	(631.5)
Minorities	(186.0)	(264.0)	(174.4)	(195.0)	(210.2)
Perpetual securities	(39.0)	(70.0)	(46.2)	(51.7)	(55.7)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	1,258.0	2,054.0	1,271.0	1,421.0	1,531.5
Core net profit	1,289.0	1,160.0	1,271.0	1,421.0	1,531.5
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	2,742.0	3,039.0	4,422.7	5,334.1	5,981.2
Accounts receivable	8,418.0	7,538.0	5,737.8	5,810.8	5,884.9
Inventory	14,741.0	12,106.0	15,326.5	15,602.6	15,880.4
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	15,914.0	12,012.0	9,849.8	8,076.9	6,623.0
Intangible assets	3,387.0	2,966.0	2,966.0	2,966.0	2,966.0
Investment in Associates & JVs	3,232.0	0.0	34.4	79.3	135.1
Other assets	3,472.0	9,756.0	9,756.0	9,756.0	9,756.0
Total assets	51,906.0	47,417.0	48,093.2	47,625.7	47,226.7
ST interest bearing debt	5,738.0	2,231.0	731.0	(769.0)	(2,269.0)
Accounts payable	10,346.0	10,134.0	9,182.7	9,348.2	9,514.6
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	4,702.0	4,891.0	4,891.0	4,891.0	4,891.0
Other liabilities	8,943.0	6,816.0	9,137.0	9,047.0	8,950.0
Total Liabilities	29,729.0	24,072.0	23,942.1	22,517.4	21,086.7
Shareholders Equity	19,366.0	19,204.0	21,016.7	21,778.9	22,600.4
Minority Interest	2,811.0	2,960.0	3,134.4	3,329.4	3,539.6
Total shareholder equity	22,177.0	22,164.0	24,151.1	25,108.3	26,140.0
Perpetual securities	0.0	1,181.0	0.0	0.0	0.0
Total liabilities and equity	51,906.0	47,417.0	48,093.2	47,625.7	47,226.7
CASH FLOW (MYR m)					
Pretax profit	2,181.0	3,051.0	2,015.8	2,253.6	2,428.9
Depreciation & amortisation	2,018.0	2,126.0	2,162.2	1,773.0	1,453.8
Adj net interest (income)/exp	0.0	0.0	0.0	0.0	0.0
Change in working capital	(3,716.0)	1,152.0	43.4	(183.7)	(185.4)
Cash taxes paid	(520.0)	(789.0)	(604.7)	(676.1)	(728.7)
Other operating cash flow	350.0	(741.0)	(231.4)	(352.1)	(475.8)
Cash flow from operations	(33.0)	5,293.0	3,879.2	3,308.6	2,986.9
Capex	(1,072.0)	0.0	0.0	0.0	0.0
Free cash flow	(1,105.0)	5,293.0	3,879.2	3,308.6	2,986.9
Dividends paid	(886.0)	(1,185.0)	(635.5)	(710.5)	(765.7)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	3,055.0	(3,494.0)	(1,500.0)	(1,500.0)	(1,500.0)
Other invest/financing cash flow	400.0	(1,691.0)	(297.0)	(186.8)	(74.0)
Effect of exch rate changes	1.0	0.0	0.0	0.0	0.0
Net cash flow	(508.0)	(1,077.0)	1,446.7	911.3	647.2

FYE 30 Jun	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	39.0	4.4	(0.0)	1.3	1.3
EBITDA growth	37.3	15.3	(24.2)	(6.9)	(7.3)
EBIT growth	37.3	(13.6)	(18.3)	6.6	2.7
Pretax growth	16.1	39.9	(33.9)	11.8	7.8
Reported net profit growth	(6.1)	63.3	(38.1)	11.8	7.8
Core net profit growth	10.9	(10.0)	9.6	11.8	7.8
Profitability ratios (%)					
EBITDA margin	6.7	7.4	5.6	5.2	4.7
EBIT margin	3.8	3.1	2.5	2.7	2.7
Pretax profit margin	3.2	4.4	2.9	3.2	3.4
Payout ratio	51.2	28.2	50.0	50.0	50.0
DuPont analysis					
Net profit margin (%)	1.9	2.9	1.8	2.0	2.1
Revenue/Assets (x)	1.3	1.5	1.5	1.5	1.5
Assets/Equity (x)	2.7	2.5	2.3	2.2	2.1
ROAE (%)	6.9	10.7	6.3	6.6	6.9
ROAA (%)	2.9	2.3	2.7	3.0	3.2
Liquidity & Efficiency					
Cash conversion cycle	66.8	60.0	58.5	65.9	65.9
Days receivable outstanding	38.0	41.0	34.1	29.3	29.3
Days inventory outstanding	84.4	80.0	82.4	91.2	91.2
Days payables outstanding	55.6	61.1	58.0	54.6	54.7
Dividend cover (x)	2.0	3.5	2.0	2.0	2.0
Current ratio (x)	1.4	1.6	1.8	2.0	2.4
Leverage & Expense Analysis					
Asset/Liability (x)	1.7	2.0	2.0	2.1	2.2
Net gearing (%) (incl perps)	34.7	17.5	5.0	net cash	net cash
Net gearing (%) (excl. perps)	34.7	18.4	5.0	net cash	net cash
Net interest cover (x)	4.4	4.0	6.0	10.2	26.4
Debt/EBITDA (x)	2.3	1.4	1.4	1.1	0.8
Capex/revenue (%)	1.6	0.0	0.0	0.0	0.0
Net debt/ (net cash)	7,698.0	4,083.0	1,199.3	(1,212.1)	(3,359.2)

Source: Company; Maybank IBG Research

Sime Darby Property (SDPR MK)

Executing the SHIFT32 transformation

Expanding across the real estate value chain

Under SHIFT32, SDPR aims to evolve from a traditional property developer into a diversified real estate player, with residential, commercial and industrial developments forming the core earnings base, while build-to-lease assets and fund platforms enhance earnings visibility and stability through a more capital-light business model. Recurring income contribution is targeted to increase from 16% in FY25 to 40% by 2032. SDPR is also actively exploring landbank expansion in Johor. We maintain our earnings forecasts and MYR1.51 TP (on unchanged 0.6x P/RNAV). HOLD.

Building the next growth engine

Discussions centred on SDPR's investment management strategy, recurring income growth, the newly launched NEV fund and its maiden Melbourne development. Management highlighted that 85% of the MYR1.25b NEV fund has been committed to DC phase 2 and a logistics facility, while reiterating that recurring income contribution could rise from 16% in FY25 to c.30% by FY28 as build-to-lease assets become operational. Management also outlined its maiden Melbourne project, an AUD1b GDV mixed-use development incorporating residential, PBSA, retail and office components, with the PBSA segment expected to become a future recurring-income asset.

Executing the SHIFT32 transformation

Under SHIFT32, SDPR aims to evolve from a traditional property developer into a developer-investment manager by expanding across the real estate value chain, spanning land development, build-to-lease assets, property fund management and eventual REIT monetisation. Management targets to grow AUM from MYR4.4b currently to MYR10b within the next 2 years and increase recurring income contribution from 16% in FY25 to 40% by 2032. Industrial, logistics and DC assets remain the key growth pillars, supported by capital recycling through platforms such as NEV, while PBSA and selective overseas expansion provide additional growth avenues.

Maintain HOLD with an unchanged MYR1.51 TP

We value SDPR at 0.6x P/RNAV, a premium to the industry average of 0.52x, supported by its sizeable Klang Valley landbank, strong exposure to the fast-growing industrial segment and growing recurring income base, which enhances earnings stability. SDPR now trades at 0.56x P/RNAV.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	4,251	4,184	4,901	4,604	4,868
EBITDA	917	903	1,013	1,085	1,178
Core net profit	497	543	604	690	784
Core EPS (sen)	7.3	8.0	8.9	10.1	11.5
Core EPS growth (%)	12.9	9.4	11.2	14.3	13.6
Net DPS (sen)	3.0	3.2	3.6	4.1	4.6
Core P/E (x)	23.1	17.4	16.0	14.0	12.3
P/BV (x)	1.1	0.9	0.9	0.9	0.8
Net dividend yield (%)	1.8	2.3	2.5	2.9	3.2
ROAE (%)	4.9	5.0	5.6	6.2	6.8
ROAA (%)	3.1	3.1	3.1	3.5	3.8
EV/EBITDA (x)	15.5	15.0	13.8	13.2	12.1
Net gearing (%) (incl perps)	23.9	35.4	33.6	34.2	32.3
Consensus net profit	-	-	598	659	711
MIBG vs. Consensus (%)	-	-	0.9	4.7	10.3

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HOLD

Share Price	MYR 1.42
12m Price Target	MYR 1.51 (+7%)
Previous Price Target	MYR 1.51

Company Description

A developer cum land seller which owns about 20,798 acres of land in Malaysia and Australia.

Statistics

52w high/low (MYR)	1.59/1.23
3m avg turnover (USDm)	3.5
Free float (%)	77.2
Issued shares (m)	6,801
Market capitalisation	MYR9.7B
	USD2.4B

Major shareholders:

Permodalan Nasional Bhd.	43.8%
Employees Provident Fund	17.8%
Kumpulan Wang Persaraan	8.1%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(7)	4	(1)
Relative to index (%)	(3)	6	(10)

Source: FactSet

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	16.4	18.7	16.0	14.0	12.3
Core P/E (x)	23.1	17.4	16.0	14.0	12.3
P/BV (x)	1.1	0.9	0.9	0.9	0.8
P/NTA (x)	1.1	0.9	0.9	0.9	0.8
Net dividend yield (%)	1.8	2.3	2.5	2.9	3.2
FCF yield (%)	0.2	nm	1.0	nm	1.9
EV/EBITDA (x)	15.5	15.0	13.8	13.2	12.1
EV/EBIT (x)	15.5	15.0	13.4	12.8	11.8

INCOME STATEMENT (MYR m)

Revenue	4,250.8	4,184.2	4,900.9	4,604.1	4,867.6
EBITDA	917.3	903.1	1,013.4	1,085.1	1,178.4
Depreciation	0.0	0.0	31.4	29.7	28.1
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	917.3	903.1	1,044.8	1,114.8	1,206.6
Net interest income / (exp)	42.3	28.5	(84.3)	(81.4)	(78.2)
Associates & JV	(179.6)	(128.2)	39.7	42.1	57.5
Exceptionals	5.6	(25.4)	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	780.0	803.4	1,000.3	1,075.6	1,185.8
Income tax	(262.4)	(268.4)	(300.1)	(322.7)	(355.7)
Minorities	(15.4)	(17.2)	(96.5)	(62.7)	(45.8)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	502.2	517.7	603.8	690.2	784.3
Core net profit	496.6	543.2	603.8	690.2	784.3

BALANCE SHEET (MYR m)

Cash & Short Term Investments	640.4	702.1	691.4	464.9	513.2
Accounts receivable	657.6	845.2	671.4	630.7	666.8
Inventory	2,073.3	1,778.1	3,886.2	5,256.8	6,216.0
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	575.7	587.4	556.0	526.3	498.1
Intangible assets	9.3	9.6	9.6	9.6	9.6
Investment in Associates & JVs	2,892.8	2,650.9	2,650.9	2,650.9	2,650.9
Other assets	9,675.0	12,045.9	11,386.5	10,596.5	10,268.8
Total assets	16,524.2	18,619.2	19,851.9	20,135.7	20,823.4
ST interest bearing debt	1,213.1	1,960.1	1,960.1	1,960.1	1,960.1
Accounts payable	1,687.5	1,841.3	2,156.8	2,026.1	2,142.1
Insurance contract liabilities	215.9	350.1	410.1	385.3	407.3
LT interest bearing debt	1,931.8	2,564.3	2,564.3	2,564.3	2,564.3
Other liabilities	979.0	1,114.0	1,352.0	1,314.0	1,348.0
Total Liabilities	6,027.3	7,830.4	8,443.1	8,250.1	8,421.5
Shareholders Equity	10,265.6	10,550.3	10,912.6	11,326.7	11,797.3
Minority Interest	231.3	238.5	496.2	558.9	604.7
Total shareholder equity	10,497.0	10,788.8	11,408.8	11,885.6	12,402.0
Total liabilities and equity	16,524.2	18,619.2	19,851.9	20,135.7	20,823.4

CASH FLOW (MYR m)

Pretax profit	780.0	803.4	1,000.3	1,075.6	1,185.8
Depreciation & amortisation	0.0	0.0	(31.4)	(29.7)	(28.1)
Adj net interest (income)/exp	(42.3)	(28.5)	(84.3)	(81.4)	(78.2)
Change in working capital	(307.3)	(352.9)	1,231.3	533.6	3.1
Cash taxes paid	42.1	(26.9)	(334.2)	(359.4)	(396.2)
Other operating cash flow	66.3	5.0	0.0	0.0	0.0
Cash flow from operations	495.2	376.4	1,781.7	1,138.7	686.4
Capex	(467.1)	(1,150.9)	(1,688.9)	(1,244.4)	(500.0)
Free cash flow	28.0	(774.5)	92.8	(105.7)	186.4
Dividends paid	0.0	(204.0)	(103.5)	(120.8)	(138.0)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	250.9	1,379.6	0.0	0.0	0.0
Other invest/financing cash flow	45.7	(208.7)	0.0	0.0	0.0
Effect of exch rate changes	(1.0)	(1.4)	0.0	0.0	0.0
Net cash flow	323.6	190.9	(10.7)	(226.5)	48.3

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	23.7	(1.6)	17.1	(6.1)	5.7
EBITDA growth	47.2	(1.6)	12.2	7.1	8.6
EBIT growth	47.2	(1.6)	15.7	6.7	8.2
Pretax growth	27.8	3.0	24.5	7.5	10.3
Reported net profit growth	23.1	3.1	16.6	14.3	13.6
Core net profit growth	12.9	9.4	11.2	14.3	13.6
Profitability ratios (%)					
EBITDA margin	21.6	21.6	20.7	23.6	24.2
EBIT margin	21.6	21.6	21.3	24.2	24.8
Pretax profit margin	18.4	19.2	20.4	23.4	24.4
Payout ratio	40.6	42.0	40.0	40.0	40.0
DuPont analysis					
Net profit margin (%)	11.8	12.4	12.3	15.0	16.1
Revenue/Assets (x)	0.3	0.2	0.2	0.2	0.2
Assets/Equity (x)	1.6	1.8	1.8	1.8	1.8
ROAE (%)	4.9	5.0	5.6	6.2	6.8
ROAA (%)	3.1	3.1	3.1	3.5	3.8
Leverage & Expense Analysis					
Asset/Liability (x)	2.7	2.4	2.4	2.4	2.5
Net gearing (%) (incl perps)	23.9	35.4	33.6	34.2	32.3
Net gearing (%) (excl. perps)	23.9	35.4	33.6	34.2	32.3
Net interest cover (x)	na	na	12.4	13.7	15.4
Debt/EBITDA (x)	3.4	5.0	4.5	4.2	3.8
Capex/revenue (%)	11.0	27.5	34.5	27.0	10.3
Net debt/ (net cash)	2,504.5	3,822.4	3,833.1	4,059.6	4,011.3

Source: Company; Maybank IBG Research

Solarvest Holdings (SOLAR MK)

Key proxy to utility scale solar

BUY

Share Price	MYR 2.90
12m Price Target	MYR 4.31 (+49%)
Previous Price Target	MYR 4.31

Focus on executing robust MYR2.5b orderbook

Solarvest's earnings visibility over FY27-28E remain well supported by its MYR2.5b orderbook. Near-term focus is centred on the execution of existing projects, while positioning for the upcoming rollout of LSS6 and CRESS projects. Solarvest has an on-going 2-3GW of tender pipeline for CRESS projects. Reiterate BUY rating with unchanged SOTP-TP of MYR4.31.

Pipeline, solar panel, and industry outlook

Questions from investors mainly focused around project pipeline, solar panel cost risk, and industry outlook. Looking ahead, FY27-28E earnings are expected to remain underpinned by its MYR2.5b orderbook. Management reiterated that margins for on-going projects remain intact, supported by its secured 2GW solar panel supply agreement. Of the total secured capacity, c.1.2GW is earmarked for current orderbook, while the remaining 800MW serve as buffer for future project pipeline.

Industry newsflow focus on LSS6 and CRESS

While the overall solar industry is setting close sight to LSS6 and CRESS programme rollout. Solarvest remains positive on the expected LSS6 tender call in 1HCY26, with industry widely expecting a capacity rollout of at least 2GW and mandatory integration of BESS. This is expected to expand the addressable EPCC market for LSS6 to c.MYR8b (assuming 2GW capacity), compared to MYR6b for LSS5+ (2GW), reflecting higher system complexity driven by storage requirements. While CRESS projects are expected to gain better operational traction in 2HCY26 with industry players fine tuning expectation on the fluctuation of System Access Charge (SAC). Solarvest currently has an active 2-3GW CRESS tender pipeline, which includes both asset development opportunities with Brookfield and external EPCC tenders.

Maintain BUY with unchanged MYR4.31 TP

We value Solarvest with a SOTP-TP of MYR4.31, with its EPCC business assigned a 25x P/E, justified by its dominant 30% market share in utility scale solar programme. While we value its solar asset portfolio using DCF. KEEMING is based on 14x CY27E P/E while SDCG and Hartanah Kenyalang are valued based on its acquisition price respectively.

FYE Mar (MYR m)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue	537	757	1,465	2,272	2,296
EBITDA	100	145	161	210	218
Core net profit	58	88	110	143	152
Core FDEPS (sen)	5.7	8.7	10.8	14.1	15.0
Core FDEPS growth(%)	63.5	51.1	25.2	30.4	6.1
Net DPS (sen)	0.0	0.0	0.0	0.0	0.0
Core FD P/E (x)	29.3	25.6	26.8	20.5	19.3
P/BV (x)	4.4	2.5	2.9	2.5	2.2
Net dividend yield (%)	0.0	0.0	0.0	0.0	0.0
ROAE (%)	17.7	13.5	12.5	14.2	13.2
ROAA (%)	7.5	6.7	6.0	6.1	5.6
EV/EBITDA (x)	17.5	13.8	17.4	13.7	12.4
Net gearing (%) (incl perps)	50.8	net cash	10.5	16.2	0.2
Consensus net profit	-	-	108	147	160
MIBG vs. Consensus (%)	-	-	1.6	(2.3)	(4.8)

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Company Description

Solarvest involves in solar turnkey EPCC for large-scale solar PV, residential, commercial and industrial property projects and provides O&M services.

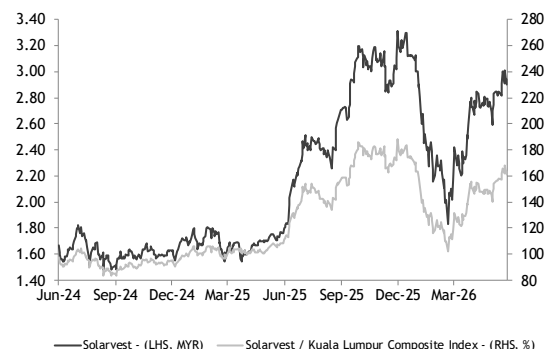
Statistics

52w high/low (MYR)	3.31/1.76
3m avg turnover (USDm)	2.9
Free float (%)	60.1
Issued shares (m)	959
Market capitalisation	MYR2.8B USD685M

Major shareholders:

Atlantic Blue Holdings Sdn Bhd	17.5%
Kenanga Investors Bhd.	6.6%
LIM CHIN SIU	6.2%

Price Performance



	-1M	-3M	-12M
Absolute (%)	6	41	64
Relative to index (%)	10	44	49

Source: FactSet

Abbreviations

CRESS: Corporate Renewable Energy Supply Scheme
EPCC: Engineering, procurement, construction, and commissioning
LSS: Large scale solar
SAC: System access charge
SDCC - Solar District Colling Group

FYE 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Key Metrics					
P/E (reported) (x)	29.1	28.3	24.5	18.8	17.7
Core P/E (x)	26.9	23.5	24.5	18.8	17.7
Core FD P/E (x)	29.3	25.6	26.8	20.5	19.3
P/BV (x)	4.4	2.5	2.9	2.5	2.2
P/NTA (x)	4.4	2.5	2.9	2.5	2.2
Net dividend yield (%)	0.0	0.0	0.0	0.0	0.0
FCF yield (%)	nm	nm	nm	nm	2.5
EV/EBITDA (x)	17.5	13.8	17.4	13.7	12.4
EV/EBIT (x)	20.0	15.6	19.4	14.9	13.4

INCOME STATEMENT (MYR m)

Revenue	536.8	757.1	1,464.9	2,272.1	2,295.7
EBITDA	99.7	144.8	160.8	209.6	218.1
Depreciation	(12.5)	(17.1)	(17.1)	(17.1)	(16.1)
EBIT	87.2	127.7	143.7	192.4	202.0
Net interest income / (exp)	(9.5)	(11.8)	(12.0)	(18.0)	(18.6)
Associates & JV	2.6	9.3	21.2	25.3	31.4
Exceptionals	(6.1)	(7.9)	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	74.2	117.3	152.9	199.7	214.8
Income tax	(20.8)	(35.2)	(41.3)	(53.9)	(58.0)
Minorities	(1.4)	(2.3)	(1.9)	(2.7)	(5.0)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	51.9	79.8	109.7	143.1	151.9
Core net profit	58.0	87.7	109.7	143.1	151.9

BALANCE SHEET (MYR m)

Cash & Short Term Investments	138.1	487.2	417.9	425.1	544.7
Accounts receivable	327.3	384.6	682.3	933.8	943.4
Inventory	17.4	16.3	39.2	61.8	62.2
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	246.3	324.3	573.5	804.7	889.7
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	56.7	121.9	143.1	168.4	199.8
Other assets	244.9	260.8	229.7	201.7	195.1
Total assets	1,030.7	1,595.1	2,085.8	2,595.5	2,835.0
ST interest bearing debt	141.9	66.3	66.3	66.3	66.3
Accounts payable	241.1	212.9	490.5	772.9	777.8
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	180.5	345.5	449.9	534.1	481.1
Other liabilities	104.0	138.0	137.0	137.0	273.0
Total Liabilities	667.9	762.9	1,143.9	1,510.5	1,598.1
Shareholders Equity	357.4	823.4	933.1	1,076.2	1,228.1
Minority Interest	5.4	8.8	5.4	5.4	5.4
Total shareholder equity	362.8	832.2	938.6	1,081.7	1,233.5
Total liabilities and equity	1,030.7	1,595.1	2,082.4	2,592.1	2,831.7

CASH FLOW (MYR m)

Pretax profit	74.2	117.3	152.9	199.7	214.8
Depreciation & amortisation	12.5	17.1	17.1	17.1	16.1
Adj net interest (income)/exp	(9.5)	(11.8)	(12.0)	(18.0)	(18.6)
Change in working capital	0.7	(131.9)	(43.0)	8.3	(5.2)
Cash taxes paid	0.0	0.0	0.0	0.0	0.0
Other operating cash flow	(192.2)	99.9	(16.2)	(10.2)	(6.5)
Cash flow from operations	(114.2)	90.6	98.8	196.9	200.6
Capex	(50.2)	(123.6)	(260.0)	(274.0)	(134.0)
Free cash flow	(164.4)	(33.1)	(161.2)	(77.1)	66.6
Dividends paid	0.0	0.0	0.0	0.0	0.0
Equity raised / (purchased)	74.0	377.4	0.0	0.0	0.0
Change in Debt	149.1	89.5	104.3	84.2	53.0
Other invest/financing cash flow	(31.6)	(96.4)	(12.4)	0.0	0.0
Effect of exch rate changes	(0.3)	0.0	0.0	0.0	0.0
Net cash flow	26.7	337.4	(69.3)	7.2	119.7

FYE 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Key Ratios					
Growth ratios (%)					
Revenue growth	8.0	41.0	93.5	55.1	1.0
EBITDA growth	55.9	45.2	11.1	30.3	4.1
EBIT growth	54.1	46.4	12.5	33.9	5.0
Pretax growth	57.2	58.1	30.3	30.7	7.5
Reported net profit growth	59.2	53.7	37.5	30.4	6.1
Core net profit growth	63.5	51.1	25.2	30.4	6.1
Profitability ratios (%)					
EBITDA margin	18.6	19.1	11.0	9.2	9.5
EBIT margin	16.2	16.9	9.8	8.5	8.8
Pretax profit margin	13.8	15.5	10.4	8.8	9.4
Payout ratio	0.0	0.0	0.0	0.0	0.0
DuPont analysis					
Net profit margin (%)	9.7	10.5	7.5	6.3	6.6
Revenue/Assets (x)	0.5	0.5	0.7	0.9	0.8
Assets/Equity (x)	2.9	1.9	2.2	2.4	2.3
ROAE (%)	17.7	13.5	12.5	14.2	13.2
ROAA (%)	7.5	6.7	6.0	6.1	5.6
Liquidity & Efficiency					
Cash conversion cycle	11.3	29.9	33.4	16.8	11.5
Days receivable outstanding	137.9	169.2	131.1	128.0	147.2
Days inventory outstanding	14.4	11.2	8.4	9.7	11.8
Days payables outstanding	141.0	150.5	106.1	120.9	147.5
Dividend cover (x)	nm	nm	nm	nm	nm
Current ratio (x)	1.4	2.7	2.0	1.7	1.6
Leverage & Expense Analysis					
Asset/Liability (x)	1.5	2.1	1.8	1.7	1.8
Net gearing (%) (incl perps)	50.8	net cash	10.5	16.2	0.2
Net gearing (%) (excl. perps)	50.8	net cash	10.5	16.2	0.2
Net interest cover (x)	9.2	10.8	12.0	10.7	10.9
Debt/EBITDA (x)	3.2	2.8	3.2	2.9	2.5
Capex/revenue (%)	9.3	16.3	17.7	12.1	5.8
Net debt/ (net cash)	184.3	(75.3)	98.3	175.3	2.7

Source: Company; Maybank IBG Research

SP Setia (SPSB MK)

Positioning for sustainable growth

Strengthening growth visibility

SPSB remains confident of achieving its FY26 sales target of MYR4.6b, supported by Vietnam and Australia projects as well as industrial land sales. Elsewhere, the proposed REIT (1H27 listing) is expected to support capital recycling and recurring income. We maintain our earnings forecasts and MYR1.25 TP (on an unchanged 0.4x P/RNAV). Reiterate BUY.

REIT plans support next growth phase

Discussion centred on SPSB's sales outlook, industrial expansion, proposed REIT and the Battersea Power Station (BPS) project. Management indicated that sales are tracking ahead of its FY26 target of MYR4.6b, supported by Vietnam, Australia and industrial land sales. Investors also sought clarification on the proposed REIT, which is targeted to have a MYR1.5b-1.8b market capitalisation, offer a 6%-6.5% yield and be listed in 1H27. The REIT will support capital recycling and recurring income growth. Separately, SPSB acknowledged that BPS losses are likely to gradually taper but remain a drag on earnings until around 2030.

Industrial and overseas markets drive growth

SPSB's future growth will be driven by Australia, Vietnam and industrial developments, while its Malaysia residential and commercial segments remain the earnings base. Industrial developments are expected to become a more meaningful earnings contributor, supported by Setia Fontaines Industrial Park, Setia Alaman Industrial Park and its partnership with Becamex for its first industrial park in Vietnam. SPSB intends to adopt a more capital-light expansion strategy through JVs and development management arrangements rather than outright land acquisitions.

Maintain BUY with unchanged MYR1.25 RNAV-TP

We value SPSB at 0.4x P/RNAV, versus industry average's 0.52x, reflecting the continued earnings drag from the BPS project, its reliance on land sales over the past 3 years and a relatively weaker earnings track record. SPSB now trades at an undemanding 0.32x P/RNAV. We expect earnings quality and visibility to gradually improve, driven by more sustainable contributions from its core property development and industrial projects, alongside recurring income streams from the proposed REIT listing in 1H27.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	5,294	4,218	5,210	4,935	5,485
EBITDA	1,564	1,438	930	986	634
Core net profit	597	463	353	388	409
Core FDEPS (sen)	12.0	8.8	6.7	7.4	7.8
Core FDEPS growth(%)	85.9	(26.6)	(23.7)	9.7	5.4
Net DPS (sen)	2.9	2.6	1.1	1.3	1.5
Core FD P/E (x)	12.2	8.3	15.6	14.3	13.5
P/BV (x)	0.5	0.3	0.4	0.4	0.4
Net dividend yield (%)	2.0	3.5	1.1	1.3	1.4
ROAE (%)	4.0	3.5	2.4	2.5	2.6
ROAA (%)	2.1	1.7	1.3	1.4	1.4
EV/EBITDA (x)	8.7	7.2	12.7	11.8	18.1
Net gearing (%) (incl perps)	34.4	33.2	32.3	30.6	28.8
Consensus net profit	-	-	411	465	492
MIBG vs. Consensus (%)	-	-	(14.0)	(16.6)	(16.9)

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BUY

Share Price	MYR 1.05
12m Price Target	MYR 1.25 (+19%)
Previous Price Target	MYR 1.25

Company Description

S P Setia Bhd is involved in the real estate businesses. Its reputable projects including Setia Alam and Setia Eco Park.

Statistics

52w high/low (MYR)	1.19/0.73
3m avg turnover (USDm)	2.8
Free float (%)	85.9
Issued shares (m)	5,003
Market capitalisation	MYR5.3B
	USD1.3B

Major shareholders:

Permodalan Nasional Bhd.	49.4%
Employees Provident Fund	13.0%
Kumpulan Wang Persaraan	9.2%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(11)	14	(9)
Relative to index (%)	(7)	15	(17)

Source: FactSet

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	10.6	10.7	14.9	13.6	12.9
Core P/E (x)	11.5	7.9	14.9	13.6	12.9
Core FD P/E (x)	12.2	8.3	15.6	14.3	13.5
P/BV (x)	0.5	0.3	0.4	0.4	0.4
P/NTA (x)	0.5	0.3	0.4	nm	nm
Net dividend yield (%)	2.0	3.5	1.1	1.3	1.4
FCF yield (%)	37.6	18.2	2.4	7.9	8.2
EV/EBITDA (x)	8.7	7.2	12.7	11.8	18.1
EV/EBIT (x)	8.7	7.2	12.7	11.8	18.1

INCOME STATEMENT (MYR m)

Revenue	5,293.6	4,217.8	5,210.5	4,935.1	5,485.3
EBITDA	1,564.4	1,438.4	929.8	986.1	633.7
Depreciation	0.0	0.0	0.0	0.0	0.0
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	1,564.4	1,438.4	929.8	986.1	633.7
Net interest income / (exp)	(384.1)	(343.0)	(275.3)	(270.2)	(264.9)
Associates & JV	(69.9)	(90.2)	(105.5)	(110.0)	(110.0)
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	11.6	(11.8)	0.0	0.0	0.0
Pretax profit	1,121.9	969.1	526.5	582.3	611.2
Income tax	(491.2)	(365.5)	(118.1)	(139.8)	(146.7)
Minorities	(54.7)	(93.6)	(55.0)	(55.0)	(56.0)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	576.0	510.0	353.4	387.6	408.5
Core net profit	596.9	463.2	353.4	387.6	408.5

BALANCE SHEET (MYR m)

Cash & Short Term Investments	3,141.5	2,572.1	2,671.4	2,853.0	3,043.7
Accounts receivable	728.2	1,032.8	1,275.9	1,208.4	1,343.1
Inventory	1,315.8	1,228.1	0.0	0.0	0.0
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	751.8	719.1	669.1	619.1	569.1
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	3,462.7	3,171.6	3,071.6	2,971.6	2,871.6
Other assets	18,203.9	18,359.6	20,059.2	20,319.0	20,670.5
Total assets	27,603.8	27,083.4	27,747.2	27,971.2	28,498.1
ST interest bearing debt	2,203.7	3,031.2	3,048.8	3,048.8	3,048.8
Accounts payable	1,550.9	1,472.4	1,818.9	1,722.8	1,914.8
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	6,382.7	4,887.0	4,908.0	4,908.0	4,908.0
Other liabilities	1,623.0	1,604.0	1,587.0	1,587.0	1,587.0
Total Liabilities	11,760.1	10,994.7	11,362.2	11,266.1	11,458.2
Shareholders Equity	14,613.9	14,797.8	15,094.1	15,414.3	15,749.1
Minority Interest	1,229.9	1,290.8	1,290.8	1,290.8	1,290.8
Total shareholder equity	15,843.8	16,088.7	16,384.9	16,705.1	17,039.9
Total liabilities and equity	27,603.8	27,083.4	27,747.2	27,971.2	28,498.1

CASH FLOW (MYR m)

Pretax profit	1,121.9	969.1	526.5	582.3	611.2
Depreciation & amortisation	0.0	0.0	0.0	0.0	0.0
Adj net interest (income)/exp	57.2	59.6	(275.3)	(270.2)	(264.9)
Change in working capital	2,341.1	333.3	(247.3)	1.7	(3.5)
Cash taxes paid	(437.4)	(405.1)	(118.1)	(139.8)	(146.7)
Other operating cash flow	334.5	501.8	501.8	501.8	501.8
Cash flow from operations	3,417.3	1,458.8	427.1	712.6	731.9
Capex	(830.2)	(795.4)	(300.0)	(300.0)	(300.0)
Free cash flow	2,587.1	663.4	127.1	412.6	431.9
Dividends paid	(59.7)	(144.1)	(127.6)	(57.2)	(67.4)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(1,452.2)	(811.9)	0.0	0.0	0.0
Perpetual securities distribution	(96.8)	(81.8)	(162.9)	(162.9)	(162.9)
Other invest/financing cash flow	(255.3)	(314.6)	273.5	0.0	0.0
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	723.2	(689.0)	110.2	192.6	201.7

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	21.0	(20.3)	23.5	(5.3)	11.1
EBITDA growth	47.2	(8.0)	(35.4)	6.1	(35.7)
EBIT growth	47.2	(8.0)	(35.4)	6.1	(35.7)
Pretax growth	71.1	(13.6)	(45.7)	10.6	5.0
Reported net profit growth	92.9	(11.5)	(30.7)	9.7	5.4
Core net profit growth	125.0	(22.4)	(23.7)	9.7	5.4
Profitability ratios (%)					
EBITDA margin	29.6	34.1	17.8	20.0	11.6
EBIT margin	29.6	34.1	17.8	20.0	11.6
Pretax profit margin	21.2	23.0	10.1	11.8	11.1
Payout ratio	23.6	25.0	16.2	17.4	18.0
DuPont analysis					
Net profit margin (%)	10.9	12.1	6.8	7.9	7.4
Revenue/Assets (x)	0.2	0.2	0.2	0.2	0.2
Assets/Equity (x)	1.9	1.8	1.8	1.8	1.8
ROAE (%)	4.0	3.5	2.4	2.5	2.6
ROAA (%)	2.1	1.7	1.3	1.4	1.4
Leverage & Expense Analysis					
Asset/Liability (x)	2.3	2.5	2.4	2.5	2.5
Net gearing (%) (incl perps)	34.4	33.2	32.3	30.6	28.8
Net gearing (%) (excl. perps)	34.4	33.2	32.3	30.6	28.8
Net interest cover (x)	4.1	4.2	3.4	3.6	2.4
Debt/EBITDA (x)	5.5	5.5	8.6	8.1	12.6
Capex/revenue (%)	15.7	18.9	5.8	6.1	5.5
Net debt/ (net cash)	5,445.0	5,346.1	5,285.4	5,103.8	4,913.1

Source: Company; Maybank IBG Research

Sunway (SWB MK)

Growth drivers remain intact

Growth pipeline remains strong

SWB's medium-term outlook continues to be underpinned by the RTS integrated development launch by end-2026, healthcare expansion and a healthy construction orderbook. Healthcare margins are expected to improve, supported by medical tourism growth from Cambodia and China, maturing hospitals and a manageable impact from DRG implementation. A stronger balance sheet following the listing of SUNMED also provides flexibility to pursue landbanking opportunities. We maintain our earnings forecasts and SOP-based TP of MYR5.42. HOLD.

RTS on track, healthcare margins recovering

Discussions centred on SWB's healthcare, property and hospitality businesses. SWB highlighted that the RTS integrated development remains on track for launch by end-2026, with targeted selling prices of \geq MYR2,000 psf. On healthcare, margins are expected to recover by end-FY26 and improve further over the medium term, supported by medical tourism growth and maturing hospitals, while the impact of DRG implementation is expected to be manageable. SWB acknowledged that Middle Eastern conflicts could slow hotel demand but the impact has been limited so far and could be partly offset by stronger intra-ASEAN travel.

Multiple growth avenues

Management remains positive on its medium-term outlook, supported by the RTS integrated development launch, healthcare expansion and a healthy construction orderbook. In healthcare, SWB is accelerating medical tourism growth, particularly from Cambodia and China, while expanding capacity through brownfield projects and future hospitals in Putrajaya, Iskandar Puteri and Seremban. SCGB continues to focus on data centres and other high-growth sectors, while the REIT segment is pursuing AEs, selective acquisitions and potential asset injections. SWB also remains open to strategic land acquisitions and M&A opportunities.

Maintain HOLD with an unchanged MYR5.42 SOP-TP

Our SOP-based TP is unchanged at MYR5.42, based on a 10% discount to our MYR6.02/sh SOP valuation. We continue to like SWB for its resilient earnings profile relative to pure-play developers, supported by its exposure to the fast-growing JS-SEZ and resilient S'pore property market.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	7,883	9,813	13,931	16,649	18,060
EBITDA	887	1,317	2,147	2,426	2,681
Core net profit	1,140	1,304	1,339	1,402	1,475
Core EPS (sen)	17.3	19.8	20.3	21.3	22.4
Core EPS growth (%)	53.9	14.4	2.7	4.7	5.2
Net DPS (sen)	6.0	6.0	6.0	6.0	6.0
Core P/E (x)	27.2	27.9	26.2	25.0	23.8
P/BV (x)	2.1	2.3	1.4	1.3	1.3
Net dividend yield (%)	1.3	1.1	1.1	1.1	1.1
ROAE (%)	8.0	9.5	6.5	5.4	5.5
ROAA (%)	3.8	3.7	2.9	2.5	2.4
EV/EBITDA (x)	43.4	34.6	21.3	19.9	19.0
Net gearing (%) (incl perps)	41.0	47.9	31.9	40.3	47.7
Consensus net profit	-	-	1,248	1,392	1,499
MIBG vs. Consensus (%)	-	-	7.3	0.7	(1.6)

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HOLD

Share Price	MYR 5.32
12m Price Target	MYR 5.42 (+2%)
Previous Price Target	MYR 5.42

Company Description

Sunway Bhd is involved in property development, investment properties and construction businesses

Statistics

52w high/low (MYR)	5.84/4.53
3m avg turnover (USDm)	8.6
Free float (%)	28.4
Issued shares (m)	6,805
Market capitalisation	MYR36.2B USD8.9B

Major shareholders:

Active Equity Sdn. Bhd.	50.0%
Employees Provident Fund	10.8%
Jef-San Enterprise Sdn. Bhd.	9.4%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(3)	3	12
Relative to index (%)	1	5	2

Source: FactSet

SREIT: [Sunway REIT](#) (HOLD, MYR2.60TP)
SCGB: [Sunway Construction Group](#) ((BUY, MYR7.83TP)
SUNMED: [Sunway Healthcare](#) (BUY, MYR2.01TP)

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	21.1	21.7	26.2	25.0	23.8
Core P/E (x)	27.2	27.9	26.2	25.0	23.8
P/BV (x)	2.1	2.3	1.4	1.3	1.3
P/NTA (x)	2.0	2.2	2.0	1.9	1.8
Net dividend yield (%)	1.3	1.1	1.1	1.1	1.1
FCF yield (%)	3.0	nm	nm	nm	nm
EV/EBITDA (x)	43.4	34.6	21.3	19.9	19.0
EV/EBIT (x)	43.4	34.6	23.0	21.5	20.4
INCOME STATEMENT (MYR m)					
Revenue	7,882.6	9,813.0	13,931.4	16,648.7	18,060.0
EBITDA	887.0	1,317.3	2,147.1	2,426.4	2,681.5
Depreciation	0.0	0.0	(162.8)	(170.7)	(178.8)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	887.0	1,317.3	1,984.2	2,255.7	2,502.6
Net interest income / (exp)	(6.3)	(1.7)	(260.9)	(328.7)	(393.5)
Associates & JV	643.1	558.8	270.0	279.4	295.7
Exceptionals	13.1	166.1	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	1,523.8	1,874.4	1,993.4	2,206.4	2,404.8
Income tax	(242.7)	(353.8)	(478.4)	(529.5)	(577.2)
Minorities	(128.0)	(216.7)	(175.7)	(274.9)	(352.5)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	1,153.1	1,470.1	1,339.2	1,402.0	1,475.2
Core net profit	1,140.0	1,304.0	1,339.2	1,402.0	1,475.2
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	4,336.4	6,788.3	8,788.3	8,788.3	8,788.3
Accounts receivable	3,275.8	3,946.3	5,602.6	6,695.3	7,262.9
Inventory	4,123.5	4,618.8	6,149.6	10,082.0	13,724.6
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	1,472.1	1,748.3	5,690.7	5,961.4	6,240.3
Intangible assets	442.6	472.2	9,724.3	9,724.3	9,724.3
Investment in Associates & JVs	8,786.3	8,577.4	4,525.7	4,525.7	4,525.7
Other assets	9,081.2	12,651.9	13,321.7	13,321.7	13,321.7
Total assets	31,517.8	38,803.2	53,802.9	59,098.8	63,587.8
ST interest bearing debt	5,972.2	8,829.3	8,829.3	8,829.3	8,829.3
Accounts payable	3,796.7	5,697.1	8,088.1	9,665.6	10,485.0
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	4,905.5	6,172.1	8,638.1	11,349.8	13,939.5
Other liabilities	905.0	967.0	1,010.0	1,010.0	1,010.0
Total Liabilities	15,579.4	21,665.3	26,565.2	30,854.4	34,263.5
Shareholders Equity	14,991.2	16,057.3	25,276.4	26,283.1	27,363.0
Minority Interest	947.2	1,080.7	1,961.2	1,961.2	1,961.2
Total shareholder equity	15,938.5	17,137.9	27,237.7	28,244.3	29,324.3
Total liabilities and equity	31,517.8	38,803.2	53,802.9	59,098.8	63,587.8
CASH FLOW (MYR m)					
Pretax profit	1,523.8	1,874.4	1,993.4	2,206.4	2,404.8
Depreciation & amortisation	0.0	0.0	162.8	170.7	178.8
Adj net interest (income)/exp	366.0	406.7	(260.9)	(328.7)	(393.5)
Change in working capital	106.9	380.6	1,938.2	(409.5)	(381.7)
Cash taxes paid	(270.5)	(290.9)	(478.4)	(529.5)	(577.2)
Other operating cash flow	(383.5)	344.2	0.0	0.0	0.0
Cash flow from operations	1,342.7	2,715.1	3,355.1	1,109.3	1,231.4
Capex	(426.2)	(3,425.8)	(3,425.8)	(3,425.8)	(3,425.8)
Free cash flow	916.4	(710.7)	(70.7)	(2,316.4)	(2,194.4)
Dividends paid	(176.1)	(100.8)	(395.3)	(395.3)	(395.3)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	1,227.4	4,123.6	2,466.0	2,711.7	2,589.7
Other invest/financing cash flow	(20.2)	(924.5)	0.0	0.0	0.0
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	1,947.7	2,387.6	2,000.0	(0.0)	0.0

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	28.5	24.5	42.0	19.5	8.5
EBITDA growth	33.1	48.5	63.0	13.0	10.5
EBIT growth	33.1	48.5	50.6	13.7	10.9
Pretax growth	53.4	23.0	6.3	10.7	9.0
Reported net profit growth	56.3	27.5	(8.9)	4.7	5.2
Core net profit growth	72.9	14.4	2.7	4.7	5.2
Profitability ratios (%)					
EBITDA margin	11.3	13.4	15.4	14.6	14.8
EBIT margin	11.3	13.4	14.2	13.5	13.9
Pretax profit margin	19.3	19.1	14.3	13.3	13.3
Payout ratio	34.3	26.9	29.5	28.2	26.8
DuPont analysis					
Net profit margin (%)	14.6	15.0	9.6	8.4	8.2
Revenue/Assets (x)	0.3	0.3	0.3	0.3	0.3
Assets/Equity (x)	2.1	2.4	2.1	2.2	2.3
ROAE (%)	8.0	9.5	6.5	5.4	5.5
ROAA (%)	3.8	3.7	2.9	2.5	2.4
Leverage & Expense Analysis					
Asset/Liability (x)	2.0	1.8	2.0	1.9	1.9
Net gearing (%) (incl perps)	41.0	47.9	31.9	40.3	47.7
Net gearing (%) (excl. perps)	41.0	47.9	31.9	40.3	47.7
Net interest cover (x)	141.3	nm	7.6	6.9	6.4
Debt/EBITDA (x)	12.3	11.4	8.1	8.3	8.5
Capex/revenue (%)	5.4	34.9	24.6	20.6	19.0
Net debt/ (net cash)	6,541.4	8,213.1	8,679.1	11,390.8	13,980.5

Source: Company; Maybank IBG Research

Telekom Malaysia (TMK)

A long-term connectivity play

Executing well

Phase 1 of TM-Nxera data centre JV is on track for completion in 2H26, and there are plans to embark on a similar-sized Phase 2. The pace of VSS take-up could slow in FY26E, and TM still expects to transition into a new (and more favourable) 5G access agreement in 2H26. We remain positive, with TM being a beneficiary of Malaysia's data centre boom through its connectivity and data centre offerings. Maintain BUY with an unchanged DCF-based TP of MYR8.40, with TM presently yielding c.4%.

Of data centre and cost optimisation

Discussions centred around TM's data centre prospects and cost optimization efforts. For the TM-Nxera data centre JV, Phase 1 (64MW) is on track for completion in 2H26. Management is expecting Phase 1 to be fully-tenanted upon commissioning. There are plans to embark on a similar-sized Phase 2. On cost optimization plans, it is possible that the pace of VSS take-up could slow in FY26E. Meanwhile, TM still expects to transition into a new (and more favourable) 5G access agreement with UMobile (from DNB) in 2H26.

Supported by more proactive capital management

We expect TM's earnings growth to be supported by ongoing cost optimisation efforts. TM has also adopted a more proactive stance on capital management, having committed to a minimum 75% dividend payout to be paid quarterly. We note that TM remains a beneficiary of Malaysia's data centre boom through its connectivity and data centre offerings. Broadband access pricing concerns have resurfaced, but we note previous instances of adjustments have generally been manageable.

Maintain BUY with an unchanged MYR8.40 TP

We derive our MYR8.40 TP from a DCF, assuming 8% WACC and 2% long-term growth. We assume an 80% dividend payout going forward, in line with TM's dividend policy (minimum 75% payout). Our TP implies 22.0x P/E and 3.6% net yield in FY26E, and 20.2x P/E and 4.0% net yield in FY27E.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	11,712	11,872	12,016	12,155	12,290
EBITDA	4,475	4,204	4,212	4,441	4,688
Core net profit	1,996	1,387	1,466	1,599	1,756
Core EPS (sen)	52.2	36.1	38.2	41.7	45.7
Core EPS growth (%)	4.6	(30.7)	5.7	9.1	9.8
Net DPS (sen)	31.0	31.0	30.6	33.3	36.6
Core P/E (x)	12.7	22.3	18.9	17.3	15.7
P/BV (x)	2.5	2.9	2.5	2.5	2.4
Net dividend yield (%)	4.7	3.9	4.2	4.6	5.1
ROAE (%)	20.9	16.6	13.7	14.5	15.4
ROAA (%)	9.1	6.7	7.1	7.6	8.2
EV/EBITDA (x)	6.1	7.6	6.8	6.5	6.1
Net gearing (%) (incl perps)	20.0	9.2	9.8	9.4	6.7
Consensus net profit	-	-	1,705	1,882	1,961
MIBG vs. Consensus (%)	-	-	(14.0)	(15.0)	(10.5)

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BUY

Share Price	MYR 7.20
12m Price Target	MYR 8.40 (+21%)
Previous Price Target	MYR 8.40

Company Description

Telekom Malaysia is the dominant fixed-line telecommunication company in Malaysia

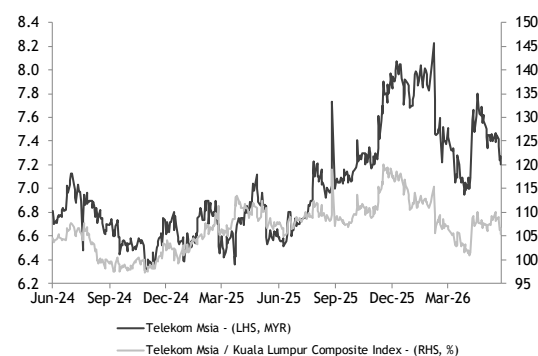
Statistics

52w high/low (MYR)	8.23/6.51
3m avg turnover (USDm)	8.3
Free float (%)	55.7
Issued shares (m)	3,838
Market capitalisation	MYR27.6B
	USD6.8B

Major shareholders:

Employees Provident Fund	23.1%
Khazanah Nasional Bhd. (Investment Compa	19.6%
Kumpulan Wang Persaraan	10.6%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(6)	(3)	9
Relative to index (%)	(3)	(1)	(2)

Source: FactSet

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	12.2	15.6	18.9	17.3	15.7
Core P/E (x)	12.7	22.3	18.9	17.3	15.7
P/BV (x)	2.5	2.9	2.5	2.5	2.4
P/NTA (x)	3.2	3.5	3.1	3.0	2.9
Net dividend yield (%)	4.7	3.9	4.2	4.6	5.1
FCF yield (%)	12.3	8.4	5.8	6.6	8.0
EV/EBITDA (x)	6.1	7.6	6.8	6.5	6.1
EV/EBIT (x)	11.8	15.7	13.8	12.7	11.5
INCOME STATEMENT (MYR m)					
Revenue	11,712.4	11,872.0	12,016.2	12,155.4	12,289.9
EBITDA	4,474.5	4,204.3	4,212.2	4,440.6	4,688.3
Depreciation	(2,149.4)	(2,178.7)	(2,135.4)	(2,185.4)	(2,227.4)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	2,325.1	2,025.6	2,076.8	2,255.2	2,461.0
Net interest income / (exp)	(140.4)	(140.7)	(126.1)	(129.1)	(128.8)
Associates & JV	8.1	4.3	4.3	4.3	4.3
Exceptionals	(15.6)	237.2	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	2,177.2	2,126.4	1,954.9	2,130.4	2,336.4
Income tax	(138.3)	(392.3)	(468.1)	(510.3)	(559.7)
Minorities	(22.0)	(21.1)	(21.1)	(21.1)	(21.1)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	2,016.9	1,713.0	1,465.7	1,599.0	1,755.6
Core net profit	1,995.8	1,387.1	1,465.7	1,599.0	1,755.6
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	3,171.8	2,703.2	2,618.2	2,626.5	2,903.4
Accounts receivable	3,424.5	3,177.8	3,226.3	3,296.9	3,367.1
Inventory	201.7	320.6	344.7	370.9	395.7
Property, Plant & Equip (net)	11,429.3	11,407.7	11,689.5	11,927.6	11,928.8
Intangible assets	2,022.4	1,883.2	1,915.5	1,941.5	1,962.4
Investment in Associates & JVs	109.8	337.2	331.3	325.4	319.5
Other assets	803.0	629.5	629.5	629.5	629.5
Total assets	21,162.5	20,459.2	20,755.0	21,118.3	21,506.3
ST interest bearing debt	1,639.4	767.9	767.9	767.9	767.9
Accounts payable	4,598.7	4,809.6	4,729.5	4,683.6	4,623.1
LT interest bearing debt	3,551.4	2,911.4	2,911.4	2,911.4	2,911.4
Other liabilities	1,273.0	1,383.0	1,466.0	1,555.0	1,653.0
Total Liabilities	11,062.8	9,872.0	9,874.7	9,918.2	9,955.1
Shareholders Equity	10,099.7	10,587.2	10,880.3	11,200.1	11,551.3
Minority Interest	0.0	0.0	0.0	0.0	0.0
Total shareholder equity	10,099.7	10,587.2	10,880.3	11,200.1	11,551.3
Total liabilities and equity	21,162.5	20,459.2	20,755.0	21,118.3	21,506.3
CASH FLOW (MYR m)					
Pretax profit	2,177.2	2,126.4	1,954.9	2,130.4	2,336.4
Depreciation & amortisation	2,149.4	2,178.7	2,135.4	2,185.4	2,227.4
Adj net interest (income)/exp	140.4	140.7	126.1	129.1	128.8
Change in working capital	37.0	338.7	(152.7)	(142.8)	(155.4)
Cash taxes paid	(298.4)	(362.0)	(393.1)	(428.5)	(470.0)
Other operating cash flow	22.5	(231.9)	(4.3)	(4.3)	(4.3)
Cash flow from operations	4,228.1	4,190.6	3,666.4	3,869.3	4,062.9
Capex	(1,109.6)	(1,598.8)	(2,050.0)	(2,050.0)	(1,850.0)
Free cash flow	3,118.5	2,591.8	1,616.4	1,819.3	2,212.9
Dividends paid	(1,074.5)	(1,189.7)	(1,172.5)	(1,279.2)	(1,404.5)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(1,223.7)	(1,206.8)	0.0	0.0	0.0
Other invest/financing cash flow	(520.3)	(490.7)	(528.8)	(531.8)	(531.5)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	300.0	(295.4)	(85.0)	8.3	276.9

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	(4.4)	1.4	1.2	1.2	1.1
EBITDA growth	(8.4)	(6.0)	0.2	5.4	5.6
EBIT growth	11.3	(12.9)	2.5	8.6	9.1
Pretax growth	20.4	(2.3)	(8.1)	9.0	9.7
Reported net profit growth	7.8	(15.1)	(14.4)	9.1	9.8
Core net profit growth	4.6	(30.5)	5.7	9.1	9.8
Profitability ratios (%)					
EBITDA margin	38.2	35.4	35.1	36.5	38.1
EBIT margin	19.9	17.1	17.3	18.6	20.0
Pretax profit margin	18.6	17.9	16.3	17.5	19.0
Payout ratio	58.8	69.5	80.0	80.0	80.0
DuPont analysis					
Net profit margin (%)	17.2	14.4	12.2	13.2	14.3
Revenue/Assets (x)	0.6	0.6	0.6	0.6	0.6
Assets/Equity (x)	2.1	1.9	1.9	1.9	1.9
ROAE (%)	20.9	16.6	13.7	14.5	15.4
ROAA (%)	9.1	6.7	7.1	7.6	8.2
Liquidity & Efficiency					
Cash conversion cycle	nm	nm	nm	nm	nm
Days receivable outstanding	103.0	100.1	95.9	96.6	97.6
Days inventory outstanding	nm	nm	nm	nm	nm
Days payables outstanding	nm	nm	nm	nm	nm
Dividend cover (x)	1.7	1.4	1.2	1.3	1.3
Current ratio (x)	1.1	1.1	1.1	1.1	1.2
Leverage & Expense Analysis					
Asset/Liability (x)	1.9	2.1	2.1	2.1	2.2
Net gearing (%) (incl perps)	20.0	9.2	9.8	9.4	6.7
Net gearing (%) (excl. perps)	20.0	9.2	9.8	9.4	6.7
Net interest cover (x)	16.6	14.4	16.5	17.5	19.1
Debt/EBITDA (x)	1.2	0.9	0.9	0.8	0.8
Capex/revenue (%)	9.5	13.5	17.1	16.9	15.1
Net debt/ (net cash)	2,019.0	976.1	1,061.1	1,052.8	775.9

Source: Company; Maybank IBG Research

Tenaga Nasional (TNB MK)

A defensive shelter

Coping with challenges well

Data centre demand uptake has thus far been tracking TNB's expectations. TNB has secured its coal requirements up until mid-2027, and has not yet faced gas supply issues. Separately, the elevated 1Q26 availability factor of genco is unlikely to sustain. We view TNB favourably as it moves on fully from the tax overhang. A monthly passthrough mechanism further insulates TNB from receivables risk. Maintain BUY with an unchanged DCF-based TP of MYR15.70, with TNB currently yielding c.4.0%.

Demand uptake on track; fuel supply secured

Questions centred mainly around data centre demand trends, fuel supply and genco performance. Data centre demand uptake has thus far been tracking TNB's expectations. On fuel supply, TNB has secured its coal requirements up until mid-2027, mainly from Indonesia and Australia. TNB typically maintains c.1 month of coal inventory. Meanwhile, TNB has not experienced any gas supply issue thus far. Separately, the elevated 1Q26 availability factor (91.4%) of genco was due to TNB's plants having to cover for IPP outages, and is thus unlikely to recur in the coming quarters.

Moving on from tax overhang

We view TNB favourably as it moves on fully from the tax overhang. We expect further earnings growth in FY26E-27E from the deployment of c.MYR10b of contingent capex in RP4 (Regulatory Period 4, 2025-2027). The finalisation of a quicker-than-expected recovery mechanism for contingent capex is a potential re-rating catalyst in our view. Separately, a monthly passthrough mechanism (Automatic Fuel Adjustment, AFA) further insulates TNB from fuel price receivables risk.

Maintain BUY with an unchanged MYR15.70 TP

We derive our MYR15.70 TP from a DCF, assuming 7.5% WACC and 2% long-term growth. We assume a 60% dividend payout going forward, which is at the top-end of TNB's dividend policy. Our TP implies 17.3x P/E and 3.5% net yield in FY26E, and 15.9x P/E and 3.8% net yield in FY27E.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	65,835	64,985	69,614	72,708	75,613
EBITDA	16,112	16,597	18,579	20,126	21,263
Core net profit	4,847	4,767	5,280	5,758	5,753
Core EPS (sen)	83.6	81.9	90.7	98.9	98.8
Core EPS growth (%)	29.1	(2.0)	10.8	9.1	(0.1)
Net DPS (sen)	51.0	53.0	54.4	59.3	59.3
Core P/E (x)	17.9	16.8	15.9	14.6	14.6
P/BV (x)	1.4	1.6	1.6	1.5	1.5
Net dividend yield (%)	3.4	3.9	3.8	4.1	4.1
ROAE (%)	9.0	9.7	10.2	10.7	10.2
ROAA (%)	2.4	2.4	2.6	2.8	2.8
EV/EBITDA (x)	7.8	7.7	7.4	7.1	6.7
Net gearing (%) (incl perps)	59.7	87.0	93.9	98.2	94.4
Consensus net profit	-	-	4,832	5,043	5,432
MIBG vs. Consensus (%)	-	-	9.3	14.2	5.9

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BUY

Share Price	MYR 14.42
12m Price Target	MYR 15.70 (+13%)
Previous Price Target	MYR 15.70

Company Description

Tenaga Nasional engages in the generation, transmission, distribution and sale of electricity and the provision of other related services.

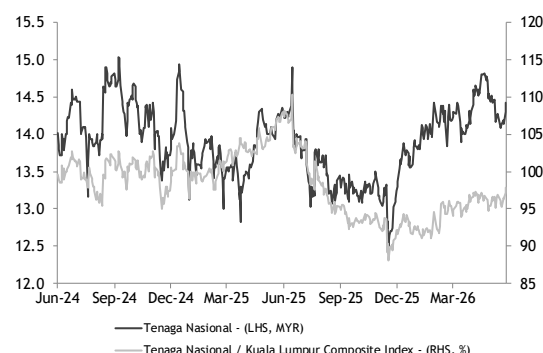
Statistics

52w high/low (MYR)	14.90/12.50
3m avg turnover (USDm)	23.0
Free float (%)	58.1
Issued shares (m)	5,829
Market capitalisation	MYR84.1B USD20.7B

Major shareholders:

Khazanah Nasional Bhd	24.1%
Employees Provident Fund	17.7%
Permodalan Nasional Bhd	12.7%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(2)	0	1
Relative to index (%)	1	2	(8)

Source: FactSet

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	14.2	14.6	15.9	14.6	14.6
Core P/E (x)	17.9	16.8	15.9	14.6	14.6
P/BV (x)	1.4	1.6	1.6	1.5	1.5
P/NTA (x)	3.1	4.6	4.3	3.8	3.5
Net dividend yield (%)	3.4	3.9	3.8	4.1	4.1
FCF yield (%)	12.9	nm	nm	1.5	7.4
EV/EBITDA (x)	7.8	7.7	7.4	7.1	6.7
EV/EBIT (x)	15.7	16.3	15.1	14.3	13.7
INCOME STATEMENT (MYR m)					
Revenue	65,834.8	64,984.5	69,613.8	72,707.9	75,612.8
EBITDA	16,111.6	16,596.6	18,579.1	20,125.8	21,262.7
Depreciation	(8,096.0)	(8,749.5)	(9,426.1)	(10,173.9)	(10,884.5)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	8,015.6	7,847.1	9,153.0	9,951.9	10,378.3
Net interest income / (exp)	(1,971.7)	(1,553.6)	(2,268.8)	(2,438.8)	(2,872.5)
Associates & JV	107.5	87.8	50.0	50.0	50.0
Exceptionals	492.2	651.5	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	6,643.6	7,032.8	6,934.2	7,563.2	7,555.8
Income tax	(1,273.6)	(1,612.3)	(1,652.2)	(1,803.2)	(1,801.4)
Minorities	(31.0)	(1.7)	(1.7)	(1.7)	(1.7)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	5,339.0	5,418.8	5,280.3	5,758.3	5,752.7
Core net profit	4,846.8	4,767.3	5,280.3	5,758.3	5,752.7
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	20,047.0	13,002.5	7,336.7	2,726.2	2,706.3
Accounts receivable	15,623.3	11,143.0	11,555.3	11,670.5	11,929.7
Inventory	2,543.6	2,561.8	2,662.2	2,761.2	2,868.1
Property, Plant & Equip (net)	125,611.1	133,409.3	141,983.2	149,809.3	152,924.9
Intangible assets	32,009.5	33,318.7	33,318.7	33,318.7	33,318.7
Investment in Associates & JVs	1,487.5	1,283.0	1,268.0	1,253.0	1,238.0
Other assets	7,734.1	3,636.2	3,636.2	3,636.2	3,636.2
Total assets	205,056.1	198,354.5	201,760.4	205,175.2	208,621.9
ST interest bearing debt	6,275.6	11,951.7	11,951.7	11,951.7	11,951.7
Accounts payable	14,215.4	11,011.0	11,684.3	12,118.7	12,587.9
LT interest bearing debt	51,131.0	47,134.0	47,134.0	47,134.0	47,134.0
Other liabilities	70,864.0	75,284.0	75,903.0	76,580.0	77,255.0
Total Liabilities	142,486.4	145,380.5	146,673.3	147,784.0	148,928.6
Shareholders Equity	60,371.1	50,789.5	52,901.6	55,205.0	57,506.0
Minority Interest	2,198.6	2,184.5	2,185.4	2,186.3	2,187.2
Total shareholder equity	62,569.7	52,974.0	55,087.0	57,391.3	59,693.2
Total liabilities and equity	205,056.1	198,354.5	201,760.4	205,175.2	208,621.9
CASH FLOW (MYR m)					
Pretax profit	6,643.6	7,032.8	6,934.2	7,563.2	7,555.8
Depreciation & amortisation	8,096.0	8,749.5	9,426.1	10,173.9	10,884.5
Change in working capital	839.2	1,669.0	160.5	220.3	103.1
Other operating cash flow	5,771.6	4,307.2	(50.0)	(50.0)	(50.0)
Cash flow from operations	22,447.4	15,570.3	17,707.0	19,219.1	20,240.0
Capex	(11,264.2)	(16,245.6)	(18,000.0)	(18,000.0)	(14,000.0)
Free cash flow	11,183.2	(675.3)	(293.0)	1,219.1	6,240.0
Dividends paid	(3,073.7)	(2,968.7)	(3,168.2)	(3,455.0)	(3,451.6)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(3,386.0)	2,644.3	0.0	0.0	0.0
Other invest/financing cash flow	(5,773.2)	(5,941.2)	(2,204.6)	(2,374.6)	(2,808.3)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	(1,049.7)	(6,940.9)	(5,665.8)	(4,610.5)	(19.9)

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	3.4	(1.3)	7.1	4.4	4.0
EBITDA growth	11.2	3.0	11.9	8.3	5.6
EBIT growth	20.0	(2.1)	16.6	8.7	4.3
Pretax growth	56.3	5.9	(1.4)	9.1	(0.1)
Reported net profit growth	55.0	1.5	(2.6)	9.1	(0.1)
Core net profit growth	29.8	(1.6)	10.8	9.1	(0.1)
Profitability ratios (%)					
EBITDA margin	24.5	25.5	26.7	27.7	28.1
EBIT margin	12.2	12.1	13.1	13.7	13.7
Pretax profit margin	10.1	10.8	10.0	10.4	10.0
Payout ratio	55.4	57.0	60.0	60.0	60.0
DuPont analysis					
Net profit margin (%)	8.1	8.3	7.6	7.9	7.6
Revenue/Assets (x)	0.3	0.3	0.3	0.4	0.4
Assets/Equity (x)	3.4	3.9	3.8	3.7	3.6
ROAE (%)	9.0	9.7	10.2	10.7	10.2
ROAA (%)	2.4	2.4	2.6	2.8	2.8
Liquidity & Efficiency					
Cash conversion cycle	7.7	3.2	0.4	(1.6)	(2.9)
Days receivable outstanding	83.6	74.1	58.7	57.5	56.2
Days inventory outstanding	18.5	18.0	17.4	17.4	17.4
Days payables outstanding	94.5	88.9	75.7	76.5	76.5
Dividend cover (x)	1.8	1.8	1.7	1.7	1.7
Current ratio (x)	1.2	0.8	0.6	0.5	0.5
Leverage & Expense Analysis					
Asset/Liability (x)	1.4	1.4	1.4	1.4	1.4
Net gearing (%) (incl perps)	59.7	87.0	93.9	98.2	94.4
Net gearing (%) (excl. perps)	59.7	87.0	93.9	98.2	94.4
Net interest cover (x)	4.1	5.1	4.0	4.1	3.6
Debt/EBITDA (x)	3.6	3.6	3.2	2.9	2.8
Capex/revenue (%)	17.1	25.0	25.9	24.8	18.5
Net debt/ (net cash)	37,359.6	46,083.2	51,749.0	56,359.5	56,379.4

Source: Company; Maybank IBG Research

Unisem (M) Bhd (UNI MK)

Malaysia breakeven, the turning point

Capacity ramp underpins earnings recovery

UNISEM is an OSAT provider tracking towards the higher end of its own QoQ revenue growth range expectations. Their China operations remain a key earnings contributor, contributing approximately half of group revenue and almost all the group quarterly earnings, driven by power management customers serving AI and data centre end-markets, while Malaysian operations heads back toward profitability.

Capacity expansion and utilisation in focus

Discussion centred on capacity headroom, advanced packaging demand, and capex funding. Gopeng P1 has sufficient floor space to accommodate additional machinery, while plans for a Gopeng P2 is targeted for construction in 4Q26/1Q27, which will focus on bumping and advanced packaging. Management mentioned that Taiwanese bump fabs exiting capacity expansion presents potential a structural opportunity for UNISEM. Management indicated exploring different options to support its MYR500m capex target and was emphatic that expansion will only be pursued for existing customers to avoid a repeat of the 2023 over-expansion episode.

Malaysia breakeven imminent as utilisation improves

The Malaysia operations are guided to reach breakeven from 2Q26, with utilisation targeted at 60% by end 2026 from 45% currently, driven by ramps from a key power management and a Japanese semiconductor customer. China operations are expected to sustain its profit levels on a quarterly basis. Key trends to monitor include Malaysia utilisation trajectory, Gopeng P2 construction timeline, and advanced packaging order ramp up.

Valuations: FY26/27E forward P/E of 68x/39x

UNISEM is currently non-rated under our coverage. Based on Bloomberg consensus, it trades at FY26/27 P/E of 68x/39x, a premium to its OSAT peers' weighted average of 48x/34x. Consensus expects earnings growth of 26% and 72% for FY26/27 respectively, with coverage comprising 2 BUYs, 4 HOLDs, and 4 SELLs across 10 brokers, with target prices ranging from MYR2.18 to MYR6.00.

FYE Dec (MYRm)	FY21A	FY22A	FY23A	FY24A	FY25A
Revenue	1,569.0	1,782.0	1,440.0	1,581.0	1,872.0
EBITDA	413.0	484.0	296.0	293.0	341.0
Core net profit	199.0	243.0	82.0	61.0	69.0
Core EPS (sen)	24.7	30.1	5.1	5.9	4.3
Core EPS growth (%)	37.2	22.1	(83.1)	15.7	(27.3)
Net DPS (sen)	7.93	12.02	8.00	12.44	6.01
Core P/E (x)	18.7	15.3	90.5	78.2	107.5
P/BV (x)	1.7	1.5	3.1	2.1	3.5
Net dividend yield (%)	1.7	2.6	1.7	2.7	1.3
ROAE (%)	9.2	10.6	3.4	2.6	3.2
ROAA (%)	7.2	8.4	2.7	2.1	2.3
EV/EBITDA (x)	17.5	14.9	24.4	24.6	21.2
Net gearing (%) (incl perps)	Net cash	Net cash	Net debt	Net cash	Net debt

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Not Rated

Share Price

MYR 4.60

Company Description

Unisem (M) Bhd. engages in the manufacture of semiconductor devices.

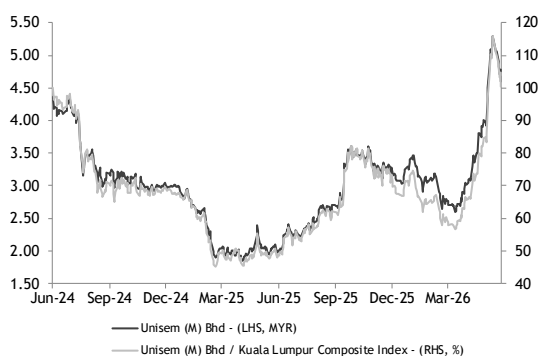
Statistics

52w high/low (MYR)	5.30/1.98
3m avg turnover (USDm)	4.2
Free float (%)	26.7
Issued shares (m)	1,613
Market capitalisation	MYR7.4B USD1.8B

Major shareholders:

Tianshui Huatian Technology Co., Ltd.	44.4%
Jayvest Holdings Sdn. Bhd.	11.1%
CHIA SIN TET	9.2%

Price Performance



	-1M	-3M	-12M
Absolute (%)	18	65	119
Relative to index (%)	22	68	99

Source: FactSet

ViTrox Corp (VITRO MK)

Inspecting the growth

Full speed ahead

We continue to feel positive towards ViTrox into 2H26 and 2027 as demand for their inspection equipment continues to gain traction, even though with ample of capacity, delivery capability could face challenges in keeping pace to demand. We keep our forecasts unchanged across FY26-28E. Maintain BUY and TP with TP of MYR9.00, based on an unchanged 48x FY27E P/E (5Y forward mean).

Demand surge and capacity expansion

Discussion centred on order execution, capacity buildout, and new product traction. Capacity and component shortages across cameras, X-ray parts, and fabricated components remains the primary delivery constraints. ViTrox is addressing this through capacity expansion, with construction of a new production facility planned to commence in 2H26. Notably, ViTrox secured a sizeable QX1 order from a key CSP in 2Q26, with repeat orders potentially extending into 2027.

Margins set to expand

Growing demand for new products is expected to drive the ETR towards single digits by year-end, underpinned by pioneer status benefits from a more favourable product mix, which we believe should provide meaningful earnings uplift on top of operating leverage. Management has flagged intent to channel a portion of the margin gains towards talent retention and long-term development.

Maintain BUY and TP at MYR9.00

We make no changes to our forecasts. Maintain BUY with TP at MYR9.00, based on an unchanged 48x FY27E P/E (5Y fwd. mean). We continue to like ViTrox for its earnings growth outlook, global market leadership in the semiconductor equipment inspection space, and exposure to high growth segments such as AI. Key risks: slower-than-expected order output, rising costs, MYR strength, and intensifying China competition.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	552	843	1,195	1,500	1,642
EBITDA	120	193	301	408	447
Core net profit	91	129	253	355	408
Core EPS (sen)	4.8	6.8	13.4	18.7	21.5
Core EPS growth (%)	(33.5)	41.4	96.7	40.2	14.9
Net DPS (sen)	1.6	1.7	3.3	4.7	5.4
Core P/E (x)	83.4	58.6	54.1	38.6	33.6
P/BV (x)	7.6	6.8	10.6	8.8	7.4
Net dividend yield (%)	0.4	0.4	0.5	0.6	0.7
ROAE (%)	9.3	12.6	21.1	24.9	23.9
ROAA (%)	7.7	9.4	14.8	17.3	16.9
EV/EBITDA (x)	60.7	37.5	44.5	32.6	29.3
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	234	281	295
MIBG vs. Consensus (%)	-	-	8.2	26.3	38.4

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BUY

Share Price	MYR 7.24
12m Price Target	MYR 9.00 (+25%)
Previous Price Target	MYR 9.00

Statistics

52w high/low (MYR)	7.28/3.22
3m avg turnover (USDm)	5.0
Free float (%)	30.0
Issued shares (m)	1,895
Market capitalisation	MYR13.7B
	USD3.4B

Major shareholders:

CHU JENN WENG	25.2%
SIAW KOK TONG	17.8%
YEOH SHIH HOONG	9.4%

Price Performance



	-1M	-3M	-12M
Absolute (%)	20	65	112
Relative to index (%)	25	68	93

Source: FactSet

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	77.8	52.6	54.1	38.6	33.6
Core P/E (x)	83.4	58.6	54.1	38.6	33.6
P/BV (x)	7.6	6.8	10.6	8.8	7.4
P/NTA (x)	7.6	6.8	10.6	8.8	7.4
Net dividend yield (%)	0.4	0.4	0.5	0.6	0.7
FCF yield (%)	0.2	0.5	0.3	1.4	2.3
EV/EBITDA (x)	60.7	37.5	44.5	32.6	29.3
EV/EBIT (x)	68.0	40.7	47.6	34.5	31.0
INCOME STATEMENT (MYR m)					
Revenue	552.3	843.1	1,195.5	1,499.5	1,641.7
EBITDA	120.2	192.7	301.3	407.9	446.5
Depreciation	(12.8)	(15.2)	(18.8)	(21.6)	(23.3)
Amortisation	0.0	(0.1)	(0.7)	(0.7)	(0.7)
EBIT	107.4	177.4	281.8	385.5	422.5
Net interest income / (exp)	8.5	9.0	5.9	4.6	7.0
Associates & JV	(0.6)	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	(12.0)	(9.7)	0.0	0.0	0.0
Pretax profit	103.3	176.6	287.7	390.2	429.6
Income tax	(13.9)	(44.9)	(34.5)	(35.1)	(21.5)
Minorities	0.9	1.5	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	90.4	133.2	253.2	355.0	408.1
Core net profit	91.0	128.7	253.2	355.0	408.1
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	340.1	409.2	422.0	560.6	813.9
Accounts receivable	237.0	374.5	497.4	622.3	680.7
Inventory	201.4	299.2	398.3	473.3	518.1
Property, Plant & Equip (net)	222.1	246.1	270.3	291.7	311.4
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	208.3	214.8	283.6	283.7	284.0
Total assets	1,208.9	1,543.9	1,871.6	2,231.6	2,608.1
ST interest bearing debt	13.0	21.5	21.5	21.5	21.5
Accounts payable	101.4	256.2	364.4	423.0	458.1
LT interest bearing debt	34.9	71.1	105.5	139.9	174.3
Other liabilities	40.0	66.0	91.0	91.0	92.0
Total Liabilities	189.6	415.2	582.1	675.8	746.2
Shareholders Equity	999.0	1,110.3	1,290.3	1,556.6	1,862.6
Minority Interest	0.0	0.0	0.0	0.0	0.0
Total shareholder equity	999.0	1,110.3	1,290.3	1,556.6	1,862.6
Total liabilities and equity	1,208.9	1,543.9	1,871.6	2,231.6	2,608.1
CASH FLOW (MYR m)					
Pretax profit	103.3	176.6	287.7	390.2	429.6
Depreciation & amortisation	12.8	15.4	19.5	22.3	24.1
Adj net interest (income)/exp	0.0	0.0	(5.9)	(4.6)	(7.0)
Change in working capital	(72.0)	(79.2)	(188.0)	(141.4)	(68.2)
Cash taxes paid	(13.2)	(37.3)	(34.5)	(35.1)	(21.5)
Other operating cash flow	8.7	2.5	(0.0)	(0.0)	(0.0)
Cash flow from operations	39.6	78.1	78.8	231.4	356.8
Capex	(23.0)	(37.6)	(43.0)	(43.0)	(43.0)
Free cash flow	16.7	40.5	35.8	188.4	313.8
Dividends paid	(32.6)	(22.7)	(63.3)	(88.8)	(102.0)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	0.0	0.0	34.4	34.4	34.4
Other invest/financing cash flow	(32.2)	54.8	5.9	4.6	7.0
Effect of exch rate changes	(0.9)	(2.6)	0.0	0.0	0.0
Net cash flow	(49.1)	70.0	12.8	138.6	253.2

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	(3.9)	52.7	41.8	25.4	9.5
EBITDA growth	(23.3)	60.3	56.3	35.4	9.5
EBIT growth	(26.3)	65.2	58.9	36.8	9.6
Pretax growth	(27.0)	70.9	62.9	35.6	10.1
Reported net profit growth	(29.6)	47.4	90.1	40.2	14.9
Core net profit growth	(33.5)	41.4	96.7	40.2	14.9
Profitability ratios (%)					
EBITDA margin	21.8	22.9	25.2	27.2	27.2
EBIT margin	19.4	21.0	23.6	25.7	25.7
Pretax profit margin	18.7	21.0	24.1	26.0	26.2
Payout ratio	33.6	24.1	25.0	25.0	25.0
DuPont analysis					
Net profit margin (%)	16.4	15.8	21.2	23.7	24.9
Revenue/Assets (x)	0.5	0.5	0.6	0.7	0.6
Assets/Equity (x)	1.2	1.4	1.5	1.4	1.4
ROAE (%)	9.3	12.6	21.1	24.9	23.9
ROAA (%)	7.7	9.4	14.8	17.3	16.9
Liquidity & Efficiency					
Cash conversion cycle	295.0	209.6	161.8	162.5	176.5
Days receivable outstanding	139.5	130.6	131.3	134.4	142.9
Days inventory outstanding	339.2	276.6	276.4	290.6	302.0
Days payables outstanding	183.6	197.5	245.9	262.6	268.3
Dividend cover (x)	3.0	4.1	4.0	4.0	4.0
Current ratio (x)	5.6	3.4	2.9	3.2	3.7
Leverage & Expense Analysis					
Asset/Liability (x)	6.4	3.7	3.2	3.3	3.5
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	na	na	na	na	na
Debt/EBITDA (x)	0.4	0.5	0.4	0.4	0.4
Capex/revenue (%)	4.2	4.5	3.6	2.9	2.6
Net debt/ (net cash)	(292.3)	(316.6)	(295.0)	(399.2)	(618.0)

Source: Company; Maybank IBG Research

VSTECS Bhd (VST MK)

Sustained growth momentum

Growth delivery expected across all segments

Key takeaways from VSTECS's discussions centred around its margin sustainability and the ongoing memory shortage. VSTECS is confident of delivering growth across all business segments in FY26. Near term catalysts appear intact. VSTECS currently trades at 17.6x FY26E P/E (based on Bloomberg consensus) with TP ranging from MYR1.49 to MYR2.40.

Margin sustainability and memory shortage

Discussions primarily centred around margin sustainability and the ongoing memory shortage. While VSTECS saw sustained topline momentum in 1Q26, underpinned by double-digit YoY growth across all three of its business segments (ICT Distribution, Enterprise System, and ICT Services), margins were compressed. However, management clarified that the margin compression was temporary in nature, and due to rebate timings and product mix. Additionally, the global memory shortage has resulted in elevated product prices and extended lead times (4-6 weeks for consumer products and 8-12 weeks for enterprise systems), resulting in frontloading activities.

Growth across all business segments

Management is confident of delivering growth across all business segments in FY26, with the enterprise segment as the key driver despite ongoing memory supply constraints. Near term catalysts appear intact, underpinned by global acceleration of AI investments, robust order pipeline for AI data centre infrastructure, and upcoming product launches.

Valuation

VSTECS is currently non-rated under our coverage. Based on Bloomberg consensus estimates, VSTECS trades at 17.6x FY26E P/E. VSTECS is covered by three brokers, with all three having BUY recommendations. Consensus target prices are ranging from MYR1.49 to MYR2.40.

FYE Dec (MYRm)	FY21A	FY22A	FY23A	FY24A	FY25A
Revenue	2,625.8	2,770.6	2,727.2	2,901.7	3,608.2
EBITDA	73.4	79.5	82.4	90.0	124.5
Core net profit	55.0	59.7	67.4	70.6	98.5
Core EPS (sen)	15.4	16.7	18.9	19.8	27.6
Core EPS growth (%)	49.5	8.4	13.2	4.8	39.4
Net DPS (sen)	5.70	6.20	6.60	7.70	10.80
Core P/E (x)	12.5	11.6	10.2	9.7	7.0
P/BV (x)	1.8	1.7	1.5	1.4	1.2
Net dividend yield (%)	3.0	3.2	3.4	4.0	5.6
ROAE (%)	14.6	15.2	15.5	14.7	18.3
ROAA (%)	8.0	8.5	8.8	8.3	10.0
EV/EBITDA (x)	10.3	9.5	9.1	8.4	6.1
Net gearing (%) (incl perps)	Net cash	Net cash	Net cash	Net cash	Net cash

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Not Rated

Share Price

MYR 1.93

Company Description

VSTECS Bhd is an investment holding firm. It distributes ICT hardware, consumer tech, enterprise cloud systems, and offers IT support services.

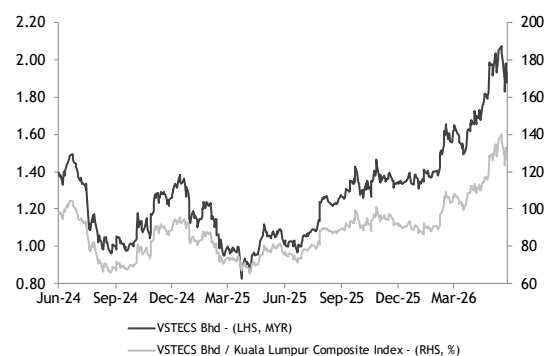
Statistics

52w high/low (MYR)	2.07/0.96
3m avg turnover (USDm)	1.0
Free float (%)	25.1
Issued shares (m)	1,080
Market capitalisation	MYR2.1B
	USD514M

Major shareholders:

VSTECS Holdings Ltd.	45.2%
Sengin Sdn. Bhd.	12.3%
Dasar Technologies Sdn. Bhd.	8.6%

Price Performance



	-1M	-3M	-12M
Absolute (%)	7	23	78
Relative to index (%)	11	25	62

Source: FactSet

Westports Holdings (WPRTS MK)

Steady sailing amid regional uncertainty

Bottlenecks cleared, container demand intact

Westports highlighted that operational bottlenecks seen at end-2025 have largely normalised, with yard utilisation stabilising at c.75% and no further congestion observed since Jan 2026. Additional yard capacity from the conversion of OVV into container yard space (adding c.500 TEUs of storage) is expected to be completed by Jul/Aug 2026, further enhancing operational flexibility. VAS contribution may remain in the high-20% range in FY26E (vs. high teens historically). Container demand remains healthy, with an early peak season potentially driven by frontloading activities arising from the Middle East conflict.

Westports 2 construction ahead of schedule

Westports 2 construction currently running 6% ahead of schedule. CT10 remains on track for commencement in 2H28, while equipment procurement is expected to begin soon. Management flagged potential upward revisions to construction costs due to rising raw material prices. On neighbouring greenfield developments such as Pulau Carey, Westports views these as long-term projects rather than immediate competitive threats. Any eventual development of these projects could nonetheless support industry tariff rationalisation.

Growth supported by FDIs, tariff hikes, expansions

Looking ahead, container throughput is expected to improve sequentially in 2Q26, driven by stronger gateway volumes. The port is seeing increasing interest from MNCs establishing regional distribution centres in Port Klang, which should further support gateway cargo growth. However, 2Q26 margins may face pressure from elevated fuel costs, although these have moderated from Apr peaks. Recent tariff hikes, together with the upcoming 5% tariff increase in 2027 (Phase 3), should help cushion cost pressures. The group remains well funded for its expansion plans via its ongoing DRP programme and >MYR4b of remaining drawdown capacity under its sukuk programme. There are no meaningful updates on potential M&A opportunities, although management indicated that the DRP could end earlier than the planned 5Y period if no suitable assets emerge.

Upside potential from our conservative assumptions

We maintain our forecasts and DCF-based TP of MYR6.48 (WACC: 7.4%) for Westports. For FY26E, we project container volume growth of 2%, broadly in line with the group's low-single-digit guidance. We believe our forecasts already incorporate cautious assumptions for potential cost pressures arising from the Middle East conflict, which could weigh on earnings in the coming quarters. Any early de-escalation of the conflict could provide upside to our valuation. Maintain BUY.

FYE Dec (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	2,280	2,546	2,902	3,116	3,243
EBITDA	1,415	1,638	1,800	2,045	2,193
Core net profit	893	1,005	1,073	1,250	1,258
Core EPS (sen)	26.2	29.4	31.3	36.5	36.8
Core EPS growth (%)	15.2	12.2	6.8	16.5	0.7
Net DPS (sen)	19.6	21.1	23.5	27.4	27.6
Core P/E (x)	17.8	19.3	19.1	16.4	16.3
P/BV (x)	4.2	4.7	4.6	4.3	4.0
Net dividend yield (%)	4.2	3.7	3.9	4.6	4.6
ROAE (%)	24.5	25.0	24.9	27.2	25.6
ROAA (%)	13.6	12.1	11.4	12.1	11.3
EV/EBITDA (x)	11.5	12.0	11.5	10.4	9.6
Net gearing (%) (incl perps)	10.0	5.1	7.0	16.4	12.0
Consensus net profit	-	-	1,166	1,248	1,273
MIBG vs. Consensus (%)	-	-	(8.0)	0.1	(1.2)

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BUY

Share Price	MYR 5.98
12m Price Target	MYR 6.48 (+12%)
Previous Price Target	MYR 6.48

Company Description

Westports Holdings Bhd is a key transshipment port at Straits of Malacca and is also a key port in Malaysia serving the Klang Valley area.

Statistics

52w high/low (MYR)	6.28/4.67
3m avg turnover (USDm)	7.9
Free float (%)	24.2
Issued shares (m)	3,436
Market capitalisation	MYR20.6B USD5.1B

Major shareholders:

Pembinaan Redzai Sdn. Bhd.	42.6%
South Port Investment Holdings Ltd.	23.7%
Kumpulan Wang Persaraan	5.8%

Price Performance



	-1M	-3M	-12M
Absolute (%)	5	(1)	28
Relative to index (%)	9	1	16

Source: FactSet

Abbreviations

VAS: Value added services

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	15.7	17.4	19.1	16.4	16.3
Core P/E (x)	17.8	19.3	19.1	16.4	16.3
P/BV (x)	4.2	4.7	4.6	4.3	4.0
P/NTA (x)	4.2	4.7	4.6	4.3	4.0
Net dividend yield (%)	4.2	3.7	3.9	4.6	4.6
FCF yield (%)	4.6	5.1	5.1	3.2	5.2
EV/EBITDA (x)	11.5	12.0	11.5	10.4	9.6
EV/EBIT (x)	13.6	14.5	13.8	12.3	12.4
INCOME STATEMENT (MYR m)					
Revenue	2,280.0	2,545.9	2,901.8	3,115.9	3,243.4
EBITDA	1,414.8	1,637.5	1,799.6	2,044.6	2,192.5
Depreciation	(176.3)	(184.0)	(182.9)	(195.4)	(368.2)
Amortisation	(78.4)	(102.9)	(112.3)	(118.0)	(120.6)
EBIT	1,193.8	1,350.6	1,504.4	1,731.2	1,703.7
Net interest income / (exp)	(55.8)	(102.2)	(132.3)	(152.8)	(172.8)
Associates & JV	(0.0)	3.0	3.1	3.2	3.3
Exceptionals	5.5	(6.4)	0.0	0.0	0.0
Other pretax income	(4.8)	47.2	0.0	0.0	0.0
Pretax profit	1,138.7	1,292.3	1,375.3	1,581.7	1,534.3
Income tax	(240.7)	(294.0)	(302.6)	(332.2)	(276.2)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	898.0	998.3	1,072.7	1,249.6	1,258.1
Core net profit	892.5	1,004.7	1,072.7	1,249.6	1,258.1
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	780.8	832.0	1,235.8	1,068.4	1,339.2
Accounts receivable	316.5	472.5	534.1	571.2	593.3
Inventory	6.7	10.0	10.0	10.0	10.0
Property, Plant & Equip (net)	1,686.5	1,635.6	1,939.0	2,415.3	2,672.0
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	4,987.5	5,941.5	6,192.9	6,703.3	6,807.7
Total assets	7,778.0	8,891.6	9,911.8	10,768.1	11,422.2
ST interest bearing debt	209.9	262.7	262.7	262.7	262.7
Accounts payable	213.1	426.5	477.3	507.8	526.0
LT interest bearing debt	953.9	783.7	1,283.7	1,583.7	1,683.7
Other liabilities	2,583.0	3,250.0	3,451.0	3,664.0	3,886.0
Total Liabilities	3,960.4	4,722.9	5,474.9	6,018.7	6,358.3
Shareholders Equity	3,817.6	4,168.8	4,436.9	4,749.3	5,063.9
Minority Interest	0.0	0.0	0.0	0.0	0.0
Total shareholder equity	3,817.6	4,168.8	4,436.9	4,749.3	5,063.9
Total liabilities and equity	7,778.0	8,891.6	9,911.8	10,768.1	11,422.2
CASH FLOW (MYR m)					
Pretax profit	1,138.7	1,292.3	1,375.3	1,581.7	1,534.3
Depreciation & amortisation	254.6	286.9	295.2	313.4	488.8
Adj net interest (income)/exp	50.5	96.8	132.3	152.8	172.8
Change in working capital	46.5	80.7	(10.8)	(6.5)	(3.9)
Cash taxes paid	(167.1)	(254.0)	(302.6)	(332.2)	(276.2)
Other operating cash flow	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	1,331.1	1,517.0	1,489.4	1,709.2	1,915.8
Capex	(601.2)	(531.8)	(450.0)	(1,050.0)	(850.0)
Free cash flow	729.8	985.2	1,039.4	659.2	1,065.8
Dividends paid	(600.5)	(647.2)	(804.5)	(937.2)	(943.6)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	230.0	(175.0)	500.0	300.0	100.0
Other invest/financing cash flow	(123.8)	(137.5)	68.9	60.6	48.6
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	235.6	25.5	803.8	82.6	270.8

FYE 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	9.2	11.7	14.0	7.4	4.1
EBITDA growth	11.7	15.7	9.9	13.6	7.2
EBIT growth	18.5	13.1	11.4	15.1	(1.6)
Pretax growth	13.2	13.5	6.4	15.0	(3.0)
Reported net profit growth	15.2	11.2	7.5	16.5	0.7
Core net profit growth	15.2	12.6	6.8	16.5	0.7
Profitability ratios (%)					
EBITDA margin	62.1	64.3	62.0	65.6	67.6
EBIT margin	52.4	53.0	51.8	55.6	52.5
Pretax profit margin	49.9	50.8	47.4	50.8	47.3
Payout ratio	74.5	72.4	75.0	75.0	75.0
DuPont analysis					
Net profit margin (%)	39.4	39.2	37.0	40.1	38.8
Revenue/Assets (x)	0.3	0.3	0.3	0.3	0.3
Assets/Equity (x)	2.0	2.1	2.2	2.3	2.3
ROAE (%)	24.5	25.0	24.9	27.2	25.6
ROAA (%)	13.6	12.1	11.4	12.1	11.3
Liquidity & Efficiency					
Cash conversion cycle	(58.0)	(132.5)	(115.7)	(138.6)	(154.6)
Days receivable outstanding	47.1	55.8	62.4	63.9	64.6
Days inventory outstanding	3.5	5.0	4.0	4.2	4.3
Days payables outstanding	108.7	193.3	182.1	206.7	223.6
Dividend cover (x)	1.3	1.4	1.3	1.3	1.3
Current ratio (x)	1.4	1.1	1.6	1.4	1.6
Leverage & Expense Analysis					
Asset/Liability (x)	2.0	1.9	1.8	1.8	1.8
Net gearing (%) (incl perps)	10.0	5.1	7.0	16.4	12.0
Net gearing (%) (excl. perps)	10.0	5.1	7.0	16.4	12.0
Net interest cover (x)	21.4	13.2	11.4	11.3	9.9
Debt/EBITDA (x)	0.8	0.6	0.9	0.9	0.9
Capex/revenue (%)	26.4	20.9	15.5	33.7	26.2
Net debt/ (net cash)	383.0	214.4	310.7	778.1	607.3

Source: Company; Maybank IBG Research

YTL Power (YTLP MK)

Data centre takes centre stage

Improving data centre prospects

YTLP has plans to expand its data centre park in Kulai from 600MW presently to c.1,200MW, and would consider a potential monetisation of the data centre business. In our view, the risk of further earnings tapering at PowerSeraya is presently being offset by improving prospects of the data centre segment (including a potential monetisation). Maintain HOLD with an unchanged SOP-based TP of MYR4.20, with YTLP currently yielding c.2.0%.

Expansion and potential monetisation

Discussions centred mainly around the data centre demand segment. With strong colocation enquiries from potential customers (including Nvidia referrals), YTLP has plans to expand its data centre park in Kulai from 600MW presently to c.1,200MW. The current operational load at the site is c.200MW. To aid data centre customers with their green agenda, YTLP has also built a solar farm on site. As the business gains scale longer term, management is open to monetising the data centre segment.

PowerSeraya tapering offset by rising DC contribution

We expect PowerSeraya's earnings (YTLP's largest earnings contributor) to taper further in the coming years as new industry capacity is commissioned. This is however partly offset by increasing data centre earnings contribution as customers gradually ramp up their IT load. Longer-term, we think a meaningful share price rerating is likely contingent on 1) a bottoming of PowerSeraya's earnings and 2) potential monetisation of its data centre business.

Maintain HOLD with an unchanged MYR4.20 TP

We derive our MYR4.20 TP from a sum-of-parts assuming full warrants conversion, with the operating entities each valued by DCF. We assume an 8sen DPS going forward. Our TP implies 21.8x P/E and 1.9% net yield in FY26E, and 23.3x P/E and 1.9% net yield in FY27E.

FYE Jun (MYR m)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	22,321	21,807	21,667	20,350	20,707
EBITDA	6,604	5,899	5,081	4,806	4,926
Core net profit	3,180	2,529	1,904	1,783	1,704
Core EPS (sen)	39.2	30.5	22.5	21.1	20.2
Core EPS growth (%)	65.6	(22.3)	(26.0)	(6.4)	(4.4)
Net DPS (sen)	7.0	8.0	8.0	8.0	8.0
Core P/E (x)	12.3	13.1	18.2	19.4	20.3
P/BV (x)	2.0	1.6	1.5	1.5	1.4
Net dividend yield (%)	1.5	2.0	2.0	2.0	2.0
ROAE (%)	18.8	11.6	8.7	7.8	7.1
ROAA (%)	5.1	3.6	2.5	2.3	2.1
EV/EBITDA (x)	9.5	10.0	12.2	13.1	12.8
Net gearing (%) (incl perps)	117.1	122.7	121.1	120.1	116.3
Consensus net profit	-	-	1,983	2,178	2,410
MIBG vs. Consensus (%)	-	-	(4.0)	(18.1)	(29.3)

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HOLD

Share Price	MYR 4.10
12m Price Target	MYR 4.20 (+4%)
Previous Price Target	MYR 4.20

Company Description

YTL Power owns a portfolio of utility concessions (both operational and developmental) in six countries.

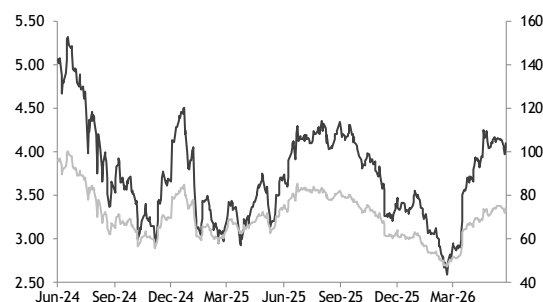
Statistics

52w high/low (MYR)	4.36/2.59
3m avg turnover (USDm)	12.6
Free float (%)	21.1
Issued shares (m)	8,702
Market capitalisation	MYR35.7B
	USD8.8B

Major shareholders:

YTL Corp Bhd.	51.8%
Employees Provident Fund	12.1%
Yeoh Tiong Lay & Sons Holdings Sdn. Bhd.	9.4%

Price Performance



— YTL Power - (LHS, MYR) — YTL Power / Kuala Lumpur Composite Index - (RHS, %)

	-1M	-3M	-12M
Absolute (%)	(3)	47	11
Relative to index (%)	1	50	0

Source: FactSet

FYE 30 Jun	FY24A	FY25A	FY26E	FY27E	FY28E
Key Metrics					
P/E (reported) (x)	7.2	12.8	18.2	19.4	20.3
Core P/E (x)	12.3	13.1	18.2	19.4	20.3
P/BV (x)	2.0	1.6	1.5	1.5	1.4
P/NTA (x)	3.9	3.1	2.9	2.7	2.5
Net dividend yield (%)	1.5	2.0	2.0	2.0	2.0
FCF yield (%)	5.9	nm	2.5	2.3	5.0
EV/EBITDA (x)	9.5	10.0	12.2	13.1	12.8
EV/EBIT (x)	11.8	13.4	17.2	18.9	18.8
INCOME STATEMENT (MYR m)					
Revenue	22,320.5	21,806.8	21,667.5	20,350.4	20,707.0
EBITDA	6,604.1	5,899.0	5,081.0	4,805.8	4,925.6
Depreciation	(1,294.7)	(1,485.7)	(1,485.5)	(1,484.8)	(1,569.5)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	5,309.4	4,413.2	3,595.4	3,321.0	3,356.2
Net interest income / (exp)	(1,743.7)	(1,504.7)	(1,510.5)	(1,397.8)	(1,516.4)
Associates & JV	264.8	376.0	375.0	349.6	353.8
Exceptionals	284.0	(131.7)	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	4,114.6	3,152.8	2,460.0	2,272.9	2,193.6
Income tax	(604.3)	(629.6)	(497.6)	(440.7)	(420.4)
Minorities	(46.2)	(125.5)	(58.3)	(49.4)	(68.9)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	3,464.1	2,397.7	1,904.1	1,782.7	1,704.2
Core net profit	3,180.1	2,529.4	1,904.1	1,782.7	1,704.2
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	9,913.6	12,945.3	12,795.4	12,678.8	13,396.1
Accounts receivable	8,178.0	7,756.5	7,588.2	7,015.4	7,024.9
Inventory	988.5	888.2	904.2	852.5	868.6
Property, Plant & Equip (net)	33,160.3	38,316.5	40,870.5	43,187.6	44,556.0
Intangible assets	10,083.1	10,498.3	10,498.3	10,498.3	10,498.3
Investment in Associates & JVs	2,470.3	2,258.2	2,313.9	2,372.0	2,433.3
Other assets	1,959.0	1,616.6	1,616.6	1,616.6	1,616.6
Total assets	66,752.6	74,279.6	76,587.1	78,221.3	80,393.8
ST interest bearing debt	2,678.9	3,176.8	3,176.8	3,176.8	3,176.8
Accounts payable	7,566.7	8,135.6	8,108.9	7,559.7	7,616.1
LT interest bearing debt	30,774.0	35,777.9	36,777.9	37,777.9	38,777.9
Other liabilities	5,630.0	6,063.0	6,169.0	6,246.0	6,334.0
Total Liabilities	46,649.7	53,153.2	54,232.8	54,760.3	55,904.6
Shareholders Equity	20,103.0	21,202.1	22,430.1	23,536.8	24,565.0
Minority Interest	0.0	0.0	0.0	0.0	0.0
Total shareholder equity	20,103.0	21,202.1	22,430.1	23,536.8	24,565.0
Total liabilities and equity	66,752.6	74,355.4	76,662.9	78,297.1	80,469.6
CASH FLOW (MYR m)					
Pretax profit	4,114.6	3,152.8	2,460.0	2,272.9	2,193.6
Depreciation & amortisation	1,294.7	1,485.7	1,485.5	1,484.8	1,569.5
Adj net interest (income)/exp	1,743.7	1,504.7	1,510.5	1,397.8	1,516.4
Change in working capital	(780.9)	(169.1)	125.5	75.3	30.8
Cash taxes paid	(343.0)	(693.7)	(312.7)	(288.5)	(276.0)
Other operating cash flow	(375.2)	149.1	(375.0)	(349.6)	(353.8)
Cash flow from operations	5,653.9	5,429.5	4,893.7	4,592.6	4,680.4
Capex	(3,339.1)	(6,774.0)	(4,039.6)	(3,801.8)	(2,937.8)
Free cash flow	2,314.7	(1,344.6)	854.1	790.8	1,742.6
Dividends paid	(529.4)	(328.4)	(676.1)	(676.1)	(676.1)
Equity raised / (purchased)	53.3	582.0	0.0	0.0	0.0
Change in Debt	(954.0)	5,931.1	1,000.0	1,000.0	1,000.0
Other invest/financing cash flow	(1,713.0)	(1,196.9)	(1,328.0)	(1,231.2)	(1,349.2)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	(828.3)	3,643.1	(149.9)	(116.5)	717.3

FYE 30 Jun	FY24A	FY25A	FY26E	FY27E	FY28E
Key Ratios					
Growth ratios (%)					
Revenue growth	2.0	(2.3)	(0.6)	(6.1)	1.8
EBITDA growth	36.3	(10.7)	(13.9)	(5.4)	2.5
EBIT growth	49.0	(16.9)	(18.5)	(7.6)	1.1
Pretax growth	68.4	(23.4)	(22.0)	(7.6)	(3.5)
Reported net profit growth	71.3	(30.8)	(20.6)	(6.4)	(4.4)
Core net profit growth	65.8	(20.5)	(24.7)	(6.4)	(4.4)
Profitability ratios (%)					
EBITDA margin	29.6	27.1	23.4	23.6	23.8
EBIT margin	23.8	20.2	16.6	16.3	16.2
Pretax profit margin	18.4	14.5	11.4	11.2	10.6
Payout ratio	16.4	27.7	35.5	37.9	39.7
DuPont analysis					
Net profit margin (%)	15.5	11.0	8.8	8.8	8.2
Revenue/Assets (x)	0.3	0.3	0.3	0.3	0.3
Assets/Equity (x)	3.3	3.5	3.4	3.3	3.3
ROAE (%)	18.8	11.6	8.7	7.8	7.1
ROAA (%)	5.1	3.6	2.5	2.3	2.1
Liquidity & Efficiency					
Cash conversion cycle	(13.4)	(20.5)	(30.2)	(31.8)	(30.7)
Days receivable outstanding	122.9	131.5	127.5	129.2	122.0
Days inventory outstanding	17.5	20.6	19.6	20.3	19.5
Days payables outstanding	153.9	172.6	177.2	181.3	172.3
Dividend cover (x)	6.1	3.6	2.8	2.6	2.5
Current ratio (x)	1.7	1.7	1.7	1.7	1.8
Leverage & Expense Analysis					
Asset/Liability (x)	1.4	1.4	1.4	1.4	1.4
Net gearing (%) (incl perps)	117.1	122.7	121.1	120.1	116.3
Net gearing (%) (excl. perps)	117.1	122.7	121.1	120.1	116.3
Net interest cover (x)	3.0	2.9	2.4	2.4	2.2
Debt/EBITDA (x)	5.1	6.6	7.9	8.5	8.5
Capex/revenue (%)	15.0	31.1	18.6	18.7	14.2
Net debt/ (net cash)	23,539.4	26,009.4	27,159.3	28,275.9	28,558.6

Source: Company; Maybank IBG Research

APPENDIX

Malaysia - Peer valuations

Name	Bloomberg code	Mkt Cap (MYRm)	Price (MYR)	Rating	TP (MYR)	PE (x) 26E	PE (x) 27E	PBV (x) 26E	PBV (x) 27E	Div yld 26E	Div yld 27E
Banks/Financials											
CIMB Group Holdings	CIMB MK	79,836.4	7.390	Hold	8.4	9.8	9.1	1.1	1.1	6.5%	6.9%
Hong Leong Bank	HLBK MK	46,259.1	21.340	Buy	25.0	9.8	9.3	1.1	1.1	4.7%	4.9%
AMMB Holdings	AMM MK	21,774.2	6.570	Hold	6.7	10.4	10.1	1.0	0.9	5.3%	5.4%
Bursa Malaysia	BURSA MK	7,008.5	8.660	Buy	9.5	26.3	25.1	8.4	8.1	3.4%	3.6%
AEON Credit Service	ACSM MK	2,992.2	5.860	Not-Rated	na	na	na	na	na	na	na
Construction											
Gamuda	GAM MK	25,400.3	4.260	Buy	5.0	24.1	20.5	2.0	2.0	2.3%	2.8%
IJM Corporation	IJM MK	8,316.5	2.280	Buy	2.9	20.4	17.7	0.8	0.8	3.7%	3.1%
Kee Ming Group	KEEMING MK	406.3	1.250	Buy	1.4	11.0	16.1	3.0	3.8	0.0%	0.0%
Consumer											
99 Speed Mart	99SMART MK	28,224.0	3.360	Not-Rated	na	na	na	na	na	na	na
MR D.I.Y. Group (M)	MRDIY MK	14,893.0	1.580	Buy	2.0	21.5	20.0	7.4	7.4	4.6%	5.0%
Sime Darby Bhd	SIME MK	14,108.3	2.070	Buy	2.5	11.1	9.9	0.7	0.6	4.5%	5.0%
Eco-Shop Marketing	ECOSHOP MK	7,137.4	1.240	Buy	1.5	27.9	21.6	6.5	5.8	2.1%	2.8%
Aquawalk Group	AQUAWALK MK	322.5	0.175	Not-Rated	na	na	na	na	na	na	na
QL Resources	QLG MK	13,689.3	3.750	Buy	4.0	30.0	29.2	4.0	3.8	1.4%	1.3%
Farm Fresh Berhad	FFB MK	4,013.2	2.160	Buy	2.5	35.4	28.4	5.7	4.5	0.7%	0.9%
Life Water	LWSABAH MK	610.4	1.290	Not-Rated	na	na	na	na	na	na	na
Energy											
Solarvest Holdings	SOLAR MK	2,781.1	2.900	Buy	4.3	23.5	24.5	2.5	2.9	0.0%	0.0%
MN Holdings	MNHLDG MK	1,709.3	2.570	Buy	2.9	16.8	13.4	5.7	4.0	0.1%	0.2%
Pekati Group	PEKAT MK	1,161.6	1.640	Buy	2.3	20.4	16.8	3.1	2.6	0.0%	0.0%
Cypark Resources	CYP MK	563.6	0.685	Buy	0.8	nm	nm	1.0	1.0	0.0%	0.0%
Health Care											
IHH Healthcare	IHH MK	77,581.4	8.780	Buy	11.6	31.6	25.1	2.4	2.3	1.4%	1.6%
KPJ Healthcare	KPJ MK	14,213.5	3.140	Buy	4.2	32.5	25.6	4.8	4.4	1.6%	2.0%
Duopharma Biotech	DBB MK	1,192.8	1.240	Not-Rated	na	na	na	na	na	na	na
Alpha IVF Group	ALPHA MK	1,190.7	0.245	Not-Rated	na	na	na	na	na	na	na
Industrials											
Karex Bhd	KAREX MK	495.1	0.470	Not-Rated	na	na	na	na	na	na	na
Westports Holdings	WPRTS MK	20,550.1	5.980	Buy	6.5	19.1	16.4	4.6	4.3	3.9%	4.6%
MTT Shipping & Log.	MTTSL MK	2,337.5	0.935	Not-Rated	na	na	na	na	na	na	na
MISC Bhd	MISC MK	36,156.7	8.100	Hold	8.5	14.1	13.9	1.0	1.0	4.7%	4.7%
Foodie Media	FOODIE MK	257.5	0.290	Not-Rated	na	na	na	na	na	na	na
Oil & Gas											
Petronas Chemicals	PCHEM MK	42,720.0	5.340	Hold	5.6	14.2	43.4	1.1	1.1	3.5%	1.2%
Dialog Group	DLG MK	11,179.1	1.980	Buy	2.4	18.4	17.0	1.8	1.7	2.2%	2.4%
Lianson Fleet Group	LFG MK	1,990.2	1.680	Hold	1.7	23.0	18.2	2.6	2.5	3.0%	3.0%
SD Guthrie	SDG MK	41,494.3	6.000	Buy	6.7	17.3	17.6	2.1	2.0	2.9%	2.8%
IOI Corporation	IOI MK	26,397.8	4.200	Buy	4.6	18.6	17.5	2.0	1.9	3.1%	3.0%
KL Kepong	KLK MK	23,172.3	20.760	Hold	21.2	18.6	16.5	1.5	1.5	2.7%	3.0%
Johor Plantations	JPG MK	4,325.0	1.730	Not-Rated	na	na	na	na	na	na	na
Real Estate											
Sunway	SWB MK	36,204.9	5.320	Hold	5.4	26.2	25.0	1.4	1.3	1.1%	1.1%
Sime Darby Property	SDPR MK	9,657.2	1.420	Hold	1.5	16.0	14.0	0.9	0.9	2.5%	2.9%
Eco World Devt	ECW MK	6,703.5	2.080	Buy	2.3	12.0	13.7	1.2	1.2	3.8%	3.8%
SP Setia	SPSB MK	5,253.6	1.050	Buy	1.3	14.9	13.6	0.4	0.4	1.1%	1.3%
Axis REIT	AXRB MK	3,948.5	1.950	Buy	2.3	18.1	17.2	1.2	1.2	5.5%	5.8%
Technology											
ViTrox Corp	VITRO MK	13,718.5	7.240	Buy	9.0	54.1	38.6	10.6	8.8	0.5%	0.6%
Inari Amertron	INRI MK	8,184.1	2.160	Hold	2.2	41.5	33.4	2.9	2.9	2.0%	2.5%
Frontken Corp. Bhd	FRCB MK	7,571.5	4.750	Buy	5.3	44.6	38.7	9.1	7.9	0.8%	0.9%
Unisem (M) Bhd	UNI MK	7,420.2	4.600	Not-Rated	na	na	na	na	na	na	na
ITMAX System Bhd	ITMAX MK	4,938.3	4.780	Buy	5.9	39.8	32.8	8.4	7.0	0.6%	0.8%
VSTECs Bhd	VST MK	2,084.4	1.930	Not-Rated	na	na	na	na	na	na	na
Cnergenz Bhd	CNERGEN MK	278.9	0.560	Not-Rated	na	na	na	na	na	na	na
Oxford Innotech	OXB MK	266.3	0.375	Not-Rated	na	na	na	na	na	na	na
3REN Bhd	3REN MK	254.0	0.390	Not-Rated	na	na	na	na	na	na	na
Telecommunications											
Telekom Malaysia	T MK	27,631.7	7.200	Buy	8.4	18.9	17.3	2.5	2.5	4.2%	4.6%
Axiata Group	AXIATA MK	17,084.1	1.860	Buy	2.9	22.2	11.3	0.8	0.8	5.9%	6.5%
Utilities											
Tenaga Nasional	TNB MK	84,056.2	14.420	Buy	15.7	15.9	14.6	1.6	1.5	3.8%	4.1%
YTL Power	YTLP MK	35,680.2	4.100	Hold	4.2	18.2	19.4	1.5	1.5	2.0%	2.0%

Source: Factset, Maybank IBG Research; (as of 12 Jun 2026)

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