

Company Report

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MAH SING GROUP

(MSGB MK EQUITY, MAHS.KL)

PROPERTY

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Property sales still robust.

BUY

(Maintained)

Rationale for report: Company Result

Price RM1.02
Fair Value RM2.10
52-week High/Low RM1.97/RM1.01

Key Changes

Fair value ⇄
EPS ⇄

YE to Dec	FY24	FY25F	FY26F	FY27F
Revenue (RM mil)	2,520.3	2,992.3	2,980.4	3,034.3
Core net profit (RM mil)	233.1	292.2	297.1	314.0
FD Core EPS (sen)	9.4	11.5	11.7	12.4
FD Core EPS growth (%)	5.8	21.9	1.7	5.7
Consensus Net Profit (RM mil)	-	282.7	327.5	343.0
DPS (sen)	4.5	5.4	5.5	5.8
PE (x)	10.8	8.9	8.7	8.2
EV/EBITDA (x)	7.3	6.5	7.2	6.2
Div yield (%)	4.4	5.3	5.4	5.7
ROE (%)	6.1	7.3	7.1	7.2
Net Gearing (%)	16.0	22.0	31.8	21.0

Stock and Financial Data

Shares Outstanding (million)	2,560.1
Market Cap (RMmil)	2,611.3
Book Value (RM/Share)	1.55
P/BV (x)	0.7
ROE (%)	6.1
Net Gearing (%)	16.0
Major Shareholders	Mayang Teratai (32.5%) Bank of Singapore (6.1%) AIA Bhd (3.4%)
Free Float	56.8
Avg Daily Value (RMmil)	8.9

Price performance	3mth	6mth	12mth
Absolute (%)	(17.7)	(39.3)	(32.0)
Relative (%)	(14.3)	(35.3)	(28.0)



Investment Highlights

We maintain our BUY recommendation on Mah Sing with an unchanged target price of RM2.10, based on SOTP valuation and a 3-star neutral ESG rating. Mah Sing's 1QFY25 core net profit of RM63.5mil came in within expectations. 1QFY25 core net profit growth was driven by strong property contribution despite weaker manufacturing showing. As of end May 2025, Mah Sing has achieved RM1.01bil new property sales, which is tracking its FY25 target. Manufacturing segment is expected to see recovery the launching of specialty glove product, Kinoko, which was approved by FDA in May 2025 and is expected to fetch a price premium as compared to standard exam gloves. Following a 43% share price decline YTD, the stock now offers compelling value and attractive dividend yield of 5.3-5.7% for FY25-27, supported by strong earnings visibility and a healthy balance sheet.

- **Maintain BUY with unchanged TP of RM2.10 based on SOTP valuation.** Mah Sing's 1QFY25 core net profit of RM63.5mil came in within expectations, accounting for 21.7% and 22.5% of our and consensus full-year estimates, respectively. 1QFY25 revenue and core net profit grew 16.4% and 13.2% YoY, mainly driven by strong contribution from Property segment.
- **Property segment remains solid.** New property sales for the first five months of 2025 came in at RM1.01 bil, which is tracking its FY25 target of RM2.65bil (FY24 : RM2.41bil). To achieve the sales target, Mah Sing plans to launch new properties with a total GDV of RM3.3bil this year, including key projects such as the M Legasi township in Semenyih, where Phase 1 achieved over 90% take-up, as well as Tiara Hills and M Tiara 2 in Johor Bahru.
- **Attractive dividend supported by strong earnings visibility and healthy balance sheet.** Unbilled sales remained high at RM2.7 bil as of 1QFY25 (more than 1x property revenue cover) ensuring solid earnings visibility. Furthermore, Mah Sing's net gearing stood at 0.17x—well below its 0.5x target—providing ample room to increase dividend. With a minimum payout policy of 40%, the implied dividend yield will be 5.3-5.7% for FY25-27.
- **DC ambition continues despite recent development.** Mah Sing announced that first collaboration agreement (100MW) relates to Plot 2 land has lapsed due to absence of clear commitment from Bridge Data Centre to proceed with execution of definitive agreement. Meanwhile the second collaboration agreement (200MW) will remain ongoing and is set to expire on 28th Oct 2025. Furthermore, the collaboration has progressed from a JV development to a build-and-lease agreement. Despite the recent development, management remains confident with the DC venture due to availability of dark fibre, electricity and water in the area and it has been receiving enquiries from interested parties particularly data centre operators.

EXHIBIT 1: 1QFY25 EARNINGS SUMMARY

FYE Dec (RM mil)	1QFY24	4QFY24	1QFY25	QoQ (%)	YoY (%)
Revenue	558.2	744.4	649.7	-12.7%	16.4%
Property	448.3	599.4	521.0	-13.1%	16.2%
Manufacturing	98.5	130.0	113.0	-13.1%	14.7%
Investment Holding & Others	11.4	14.9	15.7	5.2%	38.4%
Gross profit	144.5	172.3	169.8	-1.5%	17.4%
EBITDA	106.5	114.0	123.7	8.5%	16.1%
Depreciation	-11.7	3.2	-14.9	<-100%	27.5%
EBIT	94.8	117.2	108.8	-7.2%	14.7%
Property	88.9	103.5	103.4	-0.1%	16.3%
Manufacturing	0.7	-3.8	-1.3	-65.2%	<-100%
Investment Holding & Others	5.3	5.8	6.8	17.6%	28.0%
Net Interest Income/(Expenses)	-12.7	-29.2	-17.4	-40.5%	36.4%
Pretax profit	82.1	88.1	91.4	3.8%	11.4%
Taxation	-21.7	-29.3	-22.2	-24.5%	1.9%
Minority interest	-0.3	0.1	-3.2	<-100%	>100%
Core net profit	56.1	59.5	63.5	6.7%	13.2%
EPS (sen)	2.2	2.3	2.5	8.6%	13.2%
Gross DPS (sen)	0.0	4.5	0.0	nm	nm
GP margin (%)	25.9%	23.1%	26.1%	3.0 ppt	0.2 ppt
EBIT margin (%)	17.0%	15.7%	16.7%	1.0 ppt	-0.2 ppt
EBITDA margin (%)	19.1%	15.3%	19.0%	3.7 ppt	0.0 ppt
Pretax margin (%)	14.7%	11.8%	14.1%	2.2 ppt	-0.6 ppt
Effective tax rate (%)	26.5%	33.3%	24.2%	9.1 ppt	2.3 ppt
Core net profit margin (%)	10.0%	8.2%	9.8%	1.6 ppt	-0.3 ppt

Source: Company

EXHIBIT 2: SOTP VALUATION FOR MAH SING

Developments	Stake (%)	Effective remaining GDV	RNAV @ 10% (RM'mil)
GREATER KL			
Commercial			
Southgate	100%	2.0	0.17
Star Avenue	100%	88.0	7.33
Integrated Development & Residential			
Hijauan Residence	100%	226.0	18.83
Aman Perdana	100%	72.0	6.00
Garden Residence	100%	76.0	6.33
Perdana Residence 2	100%	13.0	1.08
M Suites @ Jalan Ampang	100%	6.0	0.50
Bayu Sekamat	100%	7.0	0.58
Icon Residence Mont' Kiara	100%	12.0	1.00
Garden Plaza, Cyberjaya	100%	31.0	2.58
M City, Jalan Ampang	100%	2.0	0.17
M Residence 1 / M Panora @ Rawang	100%	31.0	2.58
M Residence 2 @ Rawang	100%	33.0	2.75
Southville City@Bangi	100%	8,364.0	696.77
M Azura, Setapak	100%	371.0	30.91
Icon City, Petaling Jaya	100%	1,901.0	158.36
D'sara Sentral	100%	50.0	4.17
Lakeville Residence	100%	1.0	0.08
M Aruna @ Rawang	100%	152.0	12.66
M Centura/M Arisa, Sentul	78%	3.1	0.26
M Vertica, Cheras	100%	29.0	2.42
M Oscar, Sri Petaling	100%	22.0	1.83
M Luna, Kepong	100%	18.0	1.50
M Adora, Wangsa Melawati	100%	9.0	0.75
M Senyum, Salak Tinggi	100%	10.0	0.83
M Astra, Setapak	100%	11.0	0.92
M Nova, Kepong	100%	347.0	28.91
M Terra/M Hana, Puchong	100%	641.0	53.40
M Legasi, Semenyih	100%	3,300.0	274.91
M Zenya, Kepong	100%	199.0	16.58
M Aspira, Taman Desa	100%	572.0	47.65
M Aurora, Old Klang Road	100%	660.0	54.98
M Aria, Sentul	100%	283.0	23.58
JOHOR			
Residential Township & Integrated Development			
M Tiara	100%	180.0	15.00
Sierra Perdana	100%	140.0	11.66
Meridin@Medini	100%	227.0	18.91
Meridin East	100%	3,082.0	256.75
M Minori	100%	-	-
M Tiara 2	100%	1,450.0	120.79
M Tiara 3	100%	463.0	38.57
M Grand Minori	100%	1,500.0	124.96
Industrial			
Mah Sing i-Parc	100%	11.0	0.92
MSS Business Park, Sepang	56%	407.7	33.96
PENANG			
Residential/Integrated			
Legenda@Southbay	100%	-	-
Icon Residence, Georgetown	100%	-	-
Ferringhi Residence	100%	362.0	30.16
Southbay City	100%	1,415.0	117.88
Permatang	100%	-	-
Unbilled sales			301.8
Shareholders fund			4,246.88
Total RNAV			6,779.59
30% discount to RNAV			4,745.71
Plastics (FY26F target PE of 12x)			159.64
Gloves (FY26F target PE of 16x)			482.28
Total SOP			5,387.64
Enlarged share base (mil)			2,537.58
Target price/share (RM)			2.10
(+) no adjustment for 3-star ESG rating			-
Target price/share (RM)+ ESG Neutral			2.10

Source: AmlInvestment Bank Berhad

Company profile

Mah Sing Group Berhad (Mah Sing) is an investment holding company that primarily engages in property development and manufacturing activities. The property division, which contributes 81% of its revenue invests in and develops residential, commercial, and industrial properties. The manufacturing division manufactures plastic products using primarily recycled plastics and nitrile gloves, and other related products. It has a remaining GDV of RM27.1bil and unbilled sales of RM2.7bil and approximately 2,321 acres of landbank as of end Mar 2025. Mah Sing was founded in 1965 and is headquartered in Kuala Lumpur, Malaysia.

Investment thesis and catalysts

We have a BUY recommendation on the stock on the back of strong property sales, data centre venture and improving prospect for glove operation.

Valuation methodology

We derive our target price based on SOTP valuation. We assign 30% discount to its property RNAV, 12x FY26F PE to its Plastic division and 16x FY26F PE to its glove division (which is in line our target PE for Top Glove and Kossan).

Risk factors

Downside risks to our estimates include an oversupply or slowdown in the property sector, lower than expected profit margin from Mah Sing DC Hub @ Southville City and lower than expected ASP in their glove division.

EXHIBIT 3: PB BAND CHART



EXHIBIT 4: PE BAND CHART



EXHIBIT 5: ESG MATRIX

	Environmental assessment	Parameters	Weightage	Rating				Rationale
1	Scope 1 GHG Emissions	Co2e reduction	30%	*	*	*		8% YoY decrease in FY22
2	Scope 2 GHG Emissions	Co2e reduction	30%	*	*	*		9% YoY increase in FY22
3	GHG Emissions Avoidance	Renewable Energy	20%	*	*			Reduced to 604 MT CO2e from 1,003 MT CO2e
4	GHG Emissions Sequestration from Trees Planted	Number of Trees Planted	20%	*	*	*		Reduced to 956 from 957
5	Weighted score for environmental assessment		100%	*	*	*		
	Social assessment							
	Health, safety & well-being	Recorded injuries	20%	*	*	*		Low level of number of recordable work-related injuries.
1	Women in workforce	% of total workforce	20%	*	*	*		30%
2	Investment in employee training	Average learning hours per employee:	20%	*	*	*	*	Increased to 10.09 hours in FY22 from 6.2 hours in FY21.
3	Racial diversity	% of work force	20%	*	*	*	*	52% Malay, 26% Chinese, 8% Indians, 14% others
4	Procurement sourcing from local vendors	% of total procurement	20%	*	*			98% of the procurement of property development was sourced from foreign supplier. 98% of healthcare segment
5	Weighted score for social assessment		100%	*	*	*		
	Governance assessment							
	Board age diversity	% under 60 years old	20%	*	*			25%
1	Board women representation	% of total board directors	20%	*	*			75% male, 25% female
2	Directors with tenure below 6 years	% below 6 years category	20%	*	*	*	*	50%
3	Independent board directors	% of total board directors	20%	*	*			37.5% - independent non-exec
4	Remuneration to directors	% of total staff costs	20%	*	*	*	*	RM19mil - 12% of 2022 staff costs
5	Weighted score for governance assessment		100%	*	*	*		
	Overall ESG Score							
	Environmental score		40%	*	*	*		
	Social score		30%	*	*	*		
	Governance score		30%	*	*	*		
	Overall ESG Score		100%	*	*	*		

We accord a discount/premium of -6%, -3%, 0%, +3% and +6% on fundamental fair value based on the overall ESG rating as appraised by us, from 1-star to 5-star.

Source: AmlInvestment Bank

EXHIBIT 6: FINANCIAL DATA

Income Statement (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	2,603.2	2,520.3	2,992.3	2,980.4	3,034.3
EBITDA	420.7	441.6	541.5	549.1	572.3
Depreciation/Amortisation	(41.5)	(50.0)	(47.1)	(47.2)	(47.4)
Operating income (EBIT)	379.2	391.6	494.4	501.9	525.0
Other income & associates	-	-	-	-	-
Net interest	(51.8)	(54.5)	(51.6)	(51.6)	(50.6)
Exceptional items	(2.3)	1.2	-	-	1.0
Pretax profit	327.4	337.1	442.8	450.3	474.4
Taxation	(105.2)	(98.0)	(141.3)	(143.6)	(151.3)
Minorities/pref dividends	(6.9)	(7.2)	(9.4)	(9.5)	(10.1)
Net profit	215.3	231.9	292.2	297.1	313.0
Core net profit	213.0	233.1	292.2	297.1	314.0
Balance Sheet (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Fixed assets	407.9	467.4	476.0	483.8	490.9
Intangible assets	4.0	2.7	2.7	2.7	2.7
Other long-term assets	2,215.4	2,821.3	2,815.6	2,810.6	2,806.1
Total non-current assets	2,627.2	3,291.4	3,294.3	3,297.1	3,299.7
Cash & equivalent	981.3	1,346.7	1,085.3	633.8	1,059.2
Stock	529.7	538.8	644.7	-	928.8
Trade debtors	618.1	679.8	820.1	816.7	831.5
Other current assets	1,660.5	1,696.5	1,744.9	1,743.8	3,075.1
Total current assets	3,789.5	4,261.8	4,294.9	3,194.3	5,894.6
Trade creditors	1,110.0	1,400.6	1,258.6	-	1,846.3
Short-term borrowings	9.5	620.8	620.8	620.8	620.8
Other current liabilities	175.5	101.9	124.0	126.3	126.3
Total current liabilities	1,294.9	2,123.3	2,003.5	747.2	2,593.5
Long-term borrowings	1,269.2	1,356.0	1,356.0	1,356.0	1,356.0
Other long-term liabilities	115.8	98.7	98.7	98.7	100.0
Total long-term liabilities	1,385.0	1,454.7	1,454.7	1,454.7	1,456.0
Shareholders' funds	3,701.2	3,932.6	4,088.4	4,246.9	4,413.4
Minority interests	35.7	42.7	42.7	42.7	42.7
BV/share (RM)	1.52	1.55	1.61	1.67	1.74
Cash Flow (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Pretax profit	327.4	337.1	442.8	450.3	474.4
Depreciation/Amortisation	41.5	50.0	47.1	47.2	47.4
Net change in working capital	798.9	269.7	(436.5)	(609.4)	(427.7)
Others	(77.7)	(77.5)	(141.3)	(143.6)	(151.3)
Cash flow from operations	1,090.1	579.3	(87.9)	(255.6)	(57.2)
Capital expenditure	(53.3)	-	(50.0)	(50.0)	(50.0)
Net investments & sale of fixed assets	(435.7)	-	-	-	-
Others	(6.7)	(867.3)	-	-	-
Cash flow from investing	(495.7)	(867.3)	(50.0)	(50.0)	(50.0)
Debt raised/(repaid)	(119.9)	751.6	-	-	-
Equity raised/(repaid)	-	-	-	-	-
Dividends paid	(72.8)	(102.4)	(114.2)	(136.3)	(138.6)
Others	(105.7)	(69.6)	(9.4)	(9.5)	(10.1)
Cash flow from financing	(298.4)	579.6	(123.6)	(145.9)	(148.7)
Net cash flow	296.0	291.6	(261.5)	(451.4)	(256.0)
Net cash/(debt) b/f	680.7	1,054.1	1,346.7	1,085.3	633.8
Net cash/(debt) c/f	981.3	1,346.7	1,085.3	633.8	378.9
Key Ratios (YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Revenue growth (%)	12.3	(3.2)	18.7	(0.4)	1.8
EBITDA growth (%)	16.5	5.0	22.6	1.4	4.2
Pretax margin (%)	12.6	13.4	14.8	15.1	15.6
Net profit margin (%)	8.3	9.2	9.8	10.0	10.3
Interest cover (x)	7.3	7.2	9.6	9.7	10.4
Effective tax rate (%)	32.1	29.1	31.9	31.9	31.9
Dividend payout (%)	45.3	49.2	46.7	46.7	46.8
Debtors turnover (days)	87	98	100	100	100
Stock turnover (days)	84	77	72	39	56
Creditors turnover (days)	162	182	162	77	111

Source: Company, AmlInvestment Bank Bhd estimates

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