

## Team Coverage

(603) 7890 8888

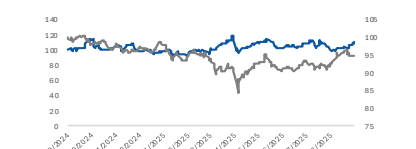
[research.dept@apexsecurities.com.my](mailto:research.dept@apexsecurities.com.my)

<b>Recommendation:</b>	<b>BUY</b>
Current Price:	RM1.42
Previous Target Price:	RM 1.70
Target Price:	↔ RM 1.70
Capital Upside/Downside:	19.7%
Dividend Yield (%):	9.8%
<b>Total Upside/Downside:</b>	<b>29.5%</b>

<b>Stock information</b>	
Board	MAIN
Sector	Industrial products & services
Bursa / Bloomberg Code	5916 / SMELTMK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	840.0
Market Cap (RM' m)	1,192.8
52-Week Price Range (RM)	1.53-1.01
Beta (x)	1.4
Free float (%)	64.3
3M Average Volume (m)	1.1
3M Average Value (RM' m)	1.6

<b>Top 3 Shareholders</b>	<b>(%)</b>
Straits Trading Co Ltd/Singapore	26.8
Straits Trading Amalgamated Reso	16.6
Sword Investments Private Limite	5.1

## Share Price Performance



	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute (%)	2.2	23.5	26.3
Relative (%)	2.3	22.8	25.1

<b>Earnings Summary</b>			
<b>FYE Dec (RM' m)</b>	<b>FY 24</b>	<b>FY 25F</b>	<b>FY 26F</b>
Revenue	1,691.8	1,480.8	1,875.9
PATAM I	79.4	52.7	118.8
CNP	79.4	52.7	118.8
Core EPS (sen)	9.5	6.3	14.1
PE (x)	14.7	22.1	9.8

Source: Company, Apex Securities

# Malaysia Smelting Corporation Berhad

## Efficiency Tailwinds + Supply Visibility = Earnings Re-Rate Ahead

- **MSC's 3QFY25 CNP came in at RM20.7m (+47.5% QoQ, +41.6% YoY) bringing 9MFY25 CNP to RM38.0m (-14.4% YoY). The results were broadly within expectations, representing 80% of our full-year forecast and 81% of consensus estimates.**
- **The surge in CNP was primarily attributable to: (i) stronger smelting revenue driven by higher tin-ore availability, (ii) firmer tin prices, and (iii) higher mining revenue from RHT.**
- **Global tin fundamentals remain favourable, while improving ore visibility and efficiency gains at Pulau Indah continue to support margin resilience.**
- **Maintain BUY with an unchanged TP of RM1.70, based on 12x FY26F EPS of 14.1 sen.**

**Within expectations.** Excluding exceptional items (+RM0.3m), MSC's 3QFY25 core net profit stood at RM20.7m (+47.5% QoQ, +41.6% YoY), bringing 9MFY25 CNP to RM42.4m (-14.4% YoY). The results were broadly within expectations, representing 80% of our full-year forecast and 81% of consensus estimates.

**Dividend.** No dividend was declared for the quarter.

**QoQ.** 3QFY25 CNP rose 47.5% QoQ, supported by (i) firmer tin prices (RM143,500/t in 3QFY25 vs RM139,800/t in 2QFY25), and (ii) higher production and throughput at Pulau Indah as operations normalised following the resolution of the 2QFY25 gas-pipeline incident that had previously constrained output and suppressed productivity.

**YoY.** 3QFY25 CNP surged 41.6% YoY, supported by a 12.7% YoY increase in smelting revenue and a 6.3% YoY increase in mining revenue, driven by higher sales volumes of refined tin and tin-bearing intermediates, alongside a higher average tin price (RM143,500/t in 3QFY25 vs RM141,500/t in 3QFY24). This translated into an 8% YoY PBT improvement in the tin-mining segment (RM32.9m vs RM30.5m).

**YTD.** 9MFY25 CNP declined 14.4% YoY, mainly due to lower refined-tin sales volumes in 2Q25, as production at the Pulau Indah smelter was disrupted following the gas-pipeline incident, resulting in a temporary shutdown. This production shortfall directly drove the deterioration in Tin Smelting PBT, which fell from RM5.8m to -RM5.3m, despite a slightly higher average tin price.

**Outlook.** Global tin fundamentals remain favourable, with accelerating demand from electronics and clean energy applications continuing to outpace constrained supply. Against this backdrop, MSC stands to benefit from improving ore visibility and ongoing efficiency gains as smelting consolidates at Pulau Indah. The Butterworth closure unlocks cost savings, while rising mining productivity and incremental tailings output reinforce margin resilience. Overall, we see a clear path for sustained earnings uplift into FY26–27.

**Earnings revision.** Forecasts maintained, as results were within expectations.

**Valuation.** We maintain a **BUY** recommendation on MSC, with an unchanged TP of **RM1.70** based on a 12x FY26F EPS of 14.1sen and an ascribed three-star ESG rating. Our view is supported by (i) improving ore visibility and incremental tailings contribution, (ii) efficiency gains as smelting consolidates at Pulau Indah, and (iii) MSC's position as the world's largest independent tin smelter.

**Risks.** Earnings remain sensitive to tin-price volatility, potential feedstock supply disruptions, and any delays in commissioning the sand-tailings facility, all of which could affect margin recovery.

# Result Note

Wednesday, 26 Nov, 2025

**BURSA RISE+**  
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## Results Comparison

FYE Mar (RM m)	3QFY25	3QFY24	yoy (%)	2QFY25	qoq (%)	9MFY25	9MFY24	YTD (%)	Comments
Revenue	529.5	470.1	12.7	379.0	39.7	1,278.3	1,243.3	2.8	Higher YoY and QoQ on stronger refined-
Operating expense (excluding D&A)	(486.1)	(434.2)	12.0	(345.3)	40.8	(1,166.7)	(1,137.8)	2.5	tin sales volumes and higher tin prices.
<b>EBITDA</b>	<b>42.3</b>	<b>34.2</b>	<b>23.9</b>	<b>32.4</b>	<b>30.5</b>	<b>107.9</b>	<b>100.4</b>	<b>7.5</b>	
Depreciation	(3.9)	(3.4)	13.8	(3.5)	11.8	(10.9)	(9.7)	12.6	Higher YoY due to full-period Pulau Indah
<b>EBIT/ Operating profit/(loss)</b>	<b>38.4</b>	<b>30.7</b>	<b>25.0</b>	<b>28.9</b>	<b>32.8</b>	<b>97.0</b>	<b>90.7</b>	<b>7.0</b>	depreciation run-rate.
Net Finance Costs	(3.6)	(3.5)	3.8	(5.0)	(27.8)	(11.9)	(8.9)	32.7	
<b>Pre-tax profit</b>	<b>35.3</b>	<b>27.5</b>	<b>28.2</b>	<b>24.4</b>	<b>44.4</b>	<b>86.4</b>	<b>82.0</b>	<b>5.3</b>	
Taxation	(9.5)	(7.1)	33.4	(5.5)	72.4	(33.1)	(21.5)	53.7	
<b>Profit-after tax</b>	<b>25.8</b>	<b>20.4</b>	<b>26.4</b>	<b>18.9</b>	<b>36.2</b>	<b>53.3</b>	<b>60.5</b>	<b>(11.9)</b>	
(-) Minority interest	5.4	6.1	(11.8)	5.0	8.2	11.2	11.2	(0.3)	
<b>PAT-MI</b>	<b>20.4</b>	<b>14.3</b>	<b>42.7</b>	<b>13.9</b>	<b>46.3</b>	<b>42.1</b>	<b>49.2</b>	<b>(14.6)</b>	
<b>Core net profit</b>	<b>20.7</b>	<b>14.6</b>	<b>41.6</b>	<b>14.0</b>	<b>47.5</b>	<b>42.4</b>	<b>49.5</b>	<b>(14.4)</b>	
Core EPS (sen)	2.5	1.7	41.6	1.7	47.5	5.0	5.9	(14.4)	
EBIT margin (%)	7.3%	6.5%		7.6%		7.6%	7.3%		
EBITDA margin (%)	8.0%	7.3%		8.6%		8.4%	8.1%		
PBT margin (%)	6.7%	5.9%		6.5%		6.8%	6.6%		
Core PATMI margin (%)	3.9%	3.1%		3.7%		3.3%	-1.7%		

Source: Company, Apex Securities

## Revenue breakdown

FYE Mar (RM m)	3QFY25	3QFY24	yoy (%)	2QFY25	qoq (%)	9MFY25	9MFY24	YTD (%)	Comments
<b>Segment Revenue</b>									
Tin Smelting	529.5	470.1	12.7	379.0	39.7	1,278.3	1,243.3	2.8	higher sale and encashment of tin
Tin Mining	88.0	82.8	6.3	82.2	7.1	249.5	235.2	6.1	intermediates with higher margin
Others	-	-	-	-	-	-	-	-	
Adjustment	(88.0)	(82.8)	6.3	(82.2)	7.1	(249.5)	(235.2)	6.1	
<b>Total</b>	<b>529.5</b>	<b>470.1</b>	<b>12.7</b>	<b>379.0</b>	<b>39.7</b>	<b>1,278.3</b>	<b>1,243.3</b>	<b>2.8</b>	
<b>Profit before tax (PBT)</b>									
Tin Smelting	(1.5)	(13.7)	(89.3)	(9.6)	(84.8)	(5.3)	5.8	nm	QoQ jump reflects smelting recovery and
Tin Mining	32.9	30.5	8.0	29.1	13.1	91.3	83.4	9.5	stronger margins; YoY boosted by mining
Others	0.3	0.0	1,007.7	0.3	2.9	0.8	(0.3)	nm	PBT.
Adjustment	3.6	10.7	(66.5)	4.7	(23.7)	(0.3)	(6.8)	(94.9)	
<b>Total</b>	<b>35.3</b>	<b>27.5</b>	<b>28.2</b>	<b>24.4</b>	<b>44.4</b>	<b>86.4</b>	<b>82.0</b>	<b>5.3</b>	
PBT Margin	-0.3%	-2.9%		-2.5%		-0.4%	0.5%		
Tin Smelting	37.4%	36.8%		35.4%		36.6%	35.4%		
Tin Mining	0.0%	0.0%		0.0%		0.0%	0.0%		
Others	-4.1%	-13.0%		-5.7%		0.1%	2.9%		

Source: Company, Apex Securities

# Result Note

Wednesday, 26 Nov, 2025

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## Financial Highlights

### Income Statement

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
<b>Revenue</b>	<b>1,435.7</b>	<b>1,691.8</b>	<b>1,480.8</b>	<b>1,875.9</b>	<b>2,026.0</b>
<b>Gross Profit</b>	<b>221.6</b>	<b>243.7</b>	<b>206.5</b>	<b>325.9</b>	<b>359.7</b>
<b>EBITDA</b>	<b>158.8</b>	<b>165.1</b>	<b>127.3</b>	<b>221.7</b>	<b>246.3</b>
Depreciation & Amortisation	-12.9	-13.6	-14.4	-14.9	-15.5
<b>EBIT</b>	<b>145.9</b>	<b>151.5</b>	<b>112.9</b>	<b>206.8</b>	<b>230.8</b>
Net Finance Income/ (Cost)	-17.9	-19.2	-18.6	-19.3	-19.3
Associates & JV	0.7	-0.2	-0.2	-0.2	-0.2
<b>Pre-tax Profit</b>	<b>128.6</b>	<b>132.0</b>	<b>94.1</b>	<b>187.3</b>	<b>211.2</b>
Tax	-31.4	-38.5	-27.3	-54.3	-61.3
<b>Profit After Tax</b>	<b>97.2</b>	<b>93.5</b>	<b>66.8</b>	<b>132.9</b>	<b>150.0</b>
Minority Interest	12.2	14.1	14.1	14.1	14.1
<b>Net Profit</b>	<b>85.1</b>	<b>79.4</b>	<b>52.7</b>	<b>118.8</b>	<b>135.9</b>
Exceptionals	0.0	0.0	0.0	0.0	0.0
<b>Core Net Profit</b>	<b>85.1</b>	<b>79.4</b>	<b>52.7</b>	<b>118.8</b>	<b>135.9</b>

### Key Ratios

FYE Dec	FY23	FY24	FY25F	FY26F	FY27F
EPS (sen)	9.5	9.5	6.3	14.1	16.2
P/E(x)	13.7	14.7	22.1	9.8	8.6
P/B(x)	2.1	2.1	2.1	2.0	2.0
EV/EBITDA(x)	6.7	6.1	7.4	4.4	4.2
DPS (sen)	14.0	31.0	7.8	13.9	15.9
Dividend Yield (%)	10.1%	22.3%	5.6%	10.0%	11.4%
EBITDA margin (%)	11.1%	9.8%	8.6%	11.8%	12.2%
EBIT margin (%)	10.2%	9.0%	7.6%	11.0%	11.4%
PBT margin (%)	9.0%	7.8%	6.4%	10.0%	10.4%
PAT margin (%)	6.8%	5.5%	4.5%	7.1%	7.4%
NP margin (%)	5.9%	4.7%	3.6%	6.3%	6.7%
CNP margin (%)	5.9%	4.7%	3.6%	6.3%	6.7%
ROE (%)	10.4%	10.2%	6.8%	15.0%	16.8%
ROA (%)	6.1%	5.8%	3.9%	8.6%	9.6%
Gearing (%)	44.1%	47.9%	47.8%	46.8%	45.9%
Net gearing (%)	11.7%	20.6%	28.5%	23.0%	15.0%

### Valuations

	FY26F
Core EPS (RM)	0.141
P/E multiple (x)	12.0
<b>Fair value (RM)</b>	<b>1.70</b>
ESG premium/discount	0.0%
<b>Implied Fair Value (RM)</b>	<b>1.70</b>

Source: Company, Apex Securities

### Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Cash	264.2	211.8	150.0	189.0	249.5
Receivables	43.7	38.1	38.1	39.3	40.0
Inventories	595.2	615.8	645.9	637.0	593.5
Other current assets	5.4	14.8	14.8	14.8	14.8
<b>Total Current Assets</b>	<b>908.5</b>	<b>880.7</b>	<b>848.8</b>	<b>880.1</b>	<b>897.8</b>
Fixed Assets	250.1	261.9	272.4	283.4	294.9
Intangibles	142.4	142.3	142.3	142.3	142.3
Other non-current assets	90.6	79.0	79.0	79.0	79.0
<b>Total Non-Current Assets</b>	<b>483.1</b>	<b>483.2</b>	<b>493.7</b>	<b>504.7</b>	<b>516.2</b>
Short-term debt	317.9	343.5	343.5	343.5	343.5
Payables	127.7	124.6	102.3	128.1	140.5
Other current liabilities	7.0	20.9	10.0	10.0	10.0
<b>Total Current Liabilities</b>	<b>452.5</b>	<b>489.0</b>	<b>455.7</b>	<b>481.6</b>	<b>494.0</b>
Long-term debt	42.2	27.8	27.8	27.8	27.8
Other non-current liabilities	80.4	71.5	82.5	82.5	82.5
<b>Total Non-Current Liabilities</b>	<b>122.6</b>	<b>99.3</b>	<b>110.2</b>	<b>110.2</b>	<b>110.2</b>
Shareholder's equity	816.5	775.5	776.5	793.0	809.8
Minority interest	0.0	0.0	0.0	0.0	0.0
<b>Total Equity</b>	<b>816.5</b>	<b>775.5</b>	<b>776.5</b>	<b>793.0</b>	<b>809.8</b>

### Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
<b>Pre-tax profit</b>	<b>128.6</b>	<b>132.0</b>	<b>94.1</b>	<b>187.3</b>	<b>211.2</b>
Depreciation & amortisation	12.9	13.6	14.4	14.9	15.5
Changes in working capital	203.7	147.4	-52.3	33.6	55.1
Others	-177.4	-209.1	-27.3	-54.3	-61.3
<b>Operating cash flow</b>	<b>167.8</b>	<b>83.9</b>	<b>28.9</b>	<b>181.5</b>	<b>220.7</b>
Capex	-15.3	-19.0	-24.9	-26.0	-27.0
Others	6.9	21.8	0.0	0.0	0.0
<b>Investing cash flow</b>	<b>-8.4</b>	<b>2.9</b>	<b>-24.9</b>	<b>-26.0</b>	<b>-27.0</b>
Dividends paid	-58.8	-130.2	-65.9	-116.5	-133.2
Others	13.4	-8.6	0.0	0.0	0.0
<b>Financing cash flow</b>	<b>-45.4</b>	<b>-138.8</b>	<b>-65.9</b>	<b>-116.5</b>	<b>-133.2</b>
<b>Net cash flow</b>	<b>114.1</b>	<b>-52.1</b>	<b>-61.9</b>	<b>39.0</b>	<b>60.5</b>
Forex	-1.1	-0.3	0.0	0.0	0.0
Others	-1.0	0.0	0.0	0.0	0.0
Beginning cash	151.2	264.2	211.8	150.0	189.0
<b>Ending cash</b>	<b>264.2</b>	<b>211.8</b>	<b>150.0</b>	<b>189.0</b>	<b>249.5</b>

**ESG Matrix Framework:****Environment**

Parameters	Rating	Comments
Climate	★★★	Scope 1 emissions reduced by 8% to 117,212.7 tCO <sub>2</sub> e in FY2024; flaring emissions also declined to 36,312.6 tCO <sub>2</sub> e.
Waste & Effluent	★★★	Waste management aligns with industry standards and regulatory requirements as well as minimise environmental impact.
Energy	★★★	Energy consumption increases by 7.2% in FY24
Water	★★★	Water consumption rose 4.2% yoy to 1,953,271m3 in FY24
Compliance	★★★	The Group complies with all local and international environmental regulations.

**Social**

Diversity	★★	91.7% of average employees age below 40, 30.5% of female directors on the Board
Human Rights	★★★	Enforce and adopts Code of Ethics and Conduct
Occupational Safety and Health	★★★	Formal grievance mechanism in place; strong zero-incident policies and health & safety oversight
Labour Practices	★★★	Fully compliant with labour standards; no violations in FY24

**Governance**

CSR Strategy	★★★★	Invested RM215k in community initiatives scholarships, internships, school awards, health clinics, sports, cultural events benefiting 116 individuals.
Management	★★	Average board members age @51, 28.6%, 2/9 female board composition
Stakeholders	★★★	Regularly organizes corporate events and holds an annual general meeting (AGM) for investors

**Overall ESG Scoring:** ★★★**Recommendation Framework:****BUY:** Total returns\* are expected to exceed 10% within the next 12 months.**HOLD:** Total returns\* are expected to be within +10% to – 10% within the next 12 months.**SELL:** Total returns\* are expected to be below -10% within the next 12 months.**TRADING BUY:** Total returns\* are expected to exceed 10% within the next 3 months.**TRADING SELL:** Total returns\* are expected to be below -10% within the next 3 months.

\*Capital gain + dividend yield

**Sector Recommendations:****OVERWEIGHT:** The industry defined by the analyst is expected to exceed 10% within the next 12 months.**NEUTRAL:** The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.**UNDERWEIGHT:** The industry defined by the analyst, is expected to be below -10% within the next 12 months.**ESG Rating Framework:**

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

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(a) nil.