

Team Coverage

(603) 7890 8888

research.dept@apexsecurities.com.my

Recommendation:	BUY
Current Price:	RM 5.50
Previous Target Price:	RM 6.30
Target Price:	RM 6.30
Capital Upside/ Downside:	14.5%
Dividend Yield (%)	8.3%
Total Upside/ Downside:	22.8%

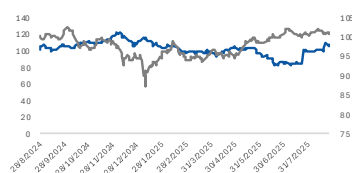
Stock information

Board	MAIN
Sector	Automotive
Bursa / Bloomberg Code	5983 / MBM MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	390.9
Market Cap (RM' m)	2,149.9
52-Week Price Range (RM)	6.5-4.255
Beta (x)	1.1
Free float (%)	39.8
3M Average Volume (m)	0.2
3M Average Value (RM' m)	1.2

Top 3 Shareholders

	(%)
Med-Bumikar Mara Sdn Bhd	49.5
Lembaga Tabung Haji	4.4
Public Mutual Bhd	2.5

Share Price Performance



	1M	3M	12M
Absolute (%)	4.6	12.5	-11.2
Relative (%)	4.7	10.6	-11.9

Earnings Summary

FYE Dec (RM' m)	FY24	FY25F	FY26F
Revenue	2,485.6	2,344.2	2,361.5
PATAM I	333.0	300.9	307.8
CNP	333.0	300.9	307.8
Core EPS (sen)	85.2	77.0	78.7
PE (x)	6.4	7.1	6.9

Source: Company, Apex Securities

MBM Resources Berhad

Within Expectations

- 3QFY25 CNP stood at RM89.0m (+1.9% YoY, +22.7% QoQ), bringing the 9MFY25 CNP to RM232.9m (-1.0% YoY). The results were in line with expectations.
- The Group declared a second interim dividend of 7.0sen and a special dividend of 10.0sen, totalling 17.0sen for the quarter (3QFY24: 29.0 sen)
- We expect MBMR to deliver resilient earnings into FY25, underpinned by sustained Perodua sales momentum.
- Maintain BUY with an unchanged TP of RM6.30, based on 8.0x FY26F EPS of 78.7sen.

Results within expectations. Excluding the gain on disposal of assets (-RM5.7m) and other exceptional items (+RM0.3m), 3QFY25 core net profit (CNP) came in at RM89.0m (+1.9% YoY, +22.7% QoQ), bringing 9MFY25 CNP to RM232.9m (-1.0% YoY). The results were within expectations, accounting for 76% of our full-year forecast and 77% of consensus estimates.

Dividend decreased. The Group declared a second interim dividend of 7.0sen and a special dividend of 10.0sen, totalling 17.0sen for the quarter (3QFY24: 29.0 sen).

QoQ. 3QFY25 CNP rose 22.7% QoQ, driven by stronger contributions from both associates and the joint venture (JV). Share of profit from associates surged 28.4%, supported by higher sales, stronger production volumes and the appreciation of RM against Japanese yen. Share of profit from the JV climbed 34.9%, benefitting from longer working days due to fewer plant shutdowns and the reversal of price-reduction provisions previously recognised. Motor Trading and Auto Parts segmental PBTs were broadly stable QoQ. Overall, Group PBT margin improved to 17.9% (from 14.5% in 2QFY25), reflecting better operating leverage and improved associates/JV performance.

YoY. CNP was largely flat (+1.9% YoY), underpinned by an 11.6% increase in the share of associates, driven by stronger production and favourable currency movements (RM appreciation vs JPY). This offset (i) an 8.1% decline in the share of JV profit due to customer and model mix, and the absence of higher other income recorded in 3QFY24; (ii) lower Motor Trading contributions (segmental PBT -5.6%), reflecting weaker sales and margin compression amid heightened competition; (iii) A 23.6% decline in Auto Parts segmental PBT due to reduced production volumes and a one-off supplier claim settlement.

YTD. 9MFY25 CNP slipped 1.0% YoY, reflecting softer contributions from Motor Trading, Auto Parts and the JV. Motor Trading declined 4.5% in line with lower TIV and weaker market demand. Auto Parts fell 18.8% due to lower volumes, a less favourable product mix and the one-off supplier claim. Share of JV profit contracted 22.8%, impacted by weaker demand and the absence of a one-off end-of-production bulk purchase recorded in 1QFY24.

Outlook. Looking ahead, we expect MBMR to deliver resilient earnings into FY25, underpinned by sustained Perodua sales momentum, firmer associate contributions, and continued operational optimisation across both the Motor Trading and Auto Parts divisions. Perodua's market leadership and robust order pipelines should anchor vehicle sales despite a moderating TIV backdrop. Meanwhile, the Auto Parts division is positioned for sequential improvement on the back of stronger production schedules from key OEMs and ongoing efficiency gains.

Earnings Revision. No changes to current forecasts.

Valuation. We maintain our **BUY** recommendation with an unchanged target price of **RM6.30**, based on 8.0x FY26F EPS of 78.7sen and three-star ESG rating. We continue to favour MBMR for its (i) strong market positioning via Perodua, (ii) diversified revenue base across trading and parts, and (iii) strong associates' contribution providing earnings stability.

Risk. US tariff revisions and ongoing trade negotiations have heightened global uncertainties, with potential spillovers to raw material costs, FX volatility, and domestic demand.

Results Note

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Results Comparison

FYE Dec (RM m)	3QFY25	3QFY24	yoy (%)	2QFY25	qoq (%)	9MFY25	9MFY24	yoy (%)	Comments
Revenue	635.9	638.4	(0.4)	602.2	5.6	1,812.4	1,824.8	(0.7)	less plant shutdowns in current
EBITDA	19.9	16.7	18.8	13.7	44.9	45.4	44.8	1.3	quarter.
Pre-tax profit	113.5	102.6	10.6	87.2	30.3	285.6	278.1	2.7	
Net profit	94.5	87.4	8.1	72.5	30.2	238.4	235.3	1.3	
Core net profit	89.0	87.4	1.9	72.5	22.7	232.9	235.3	(1.0)	
Core EPS (sen)	22.8	22.4	1.9	18.6	22.7	59.6	60.2	(1.0)	
EBITDA margin (%)	3.1	2.6		2.3		2.5	2.5		
PBT margin (%)	17.9	16.1		14.5		15.8	15.2		
Core net profit margin (%)	14.0	13.7		12.0		12.9	12.9		

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	3QFY25	3QFY24	yoy (%)	2QFY25	qoq (%)	9MFY25	9MFY24	yoy (%)	Comments
Revenue									
Motor trading	546.5	558.1	(2.1)	524.0	4.3	1,571.4	1,601.6	(1.9)	
Autoparts manufacturing	88.6	79.6	11.3	77.4	14.5	238.8	221.2	8.0	
Others	0.7	0.6	15.6	0.7	1.4	2.2	1.9	12.0	
Total	635.9	638.4	(0.4)	602.2	5.6	1,812.4	1,824.8	(0.7)	
Pre-tax profit									
Motor trading	12.8	13.6	(5.6)	12.7	1.4	36.5	38.3	(4.5)	
Autoparts manufacturing	5.1	6.7	(23.6)	5.3	(2.1)	15.9	19.6	(18.8)	
Others	4.6	(0.8)	nm	(1.3)	nm	1.6	(3.3)	nm	
Share of a joint venture	7.9	8.6	(8.1)	5.9	34.9	18.0	23.4	(22.8)	
Share of associate	83.0	74.4	11.6	64.7	28.4	213.5	200.2	6.6	
Total	113.5	102.6	10.6	87.2	30.3	285.6	278.1	2.7	
Pre-tax profit margin (%)									
Motor trading	2.4%	2.4%		2.4%		2.3%	2.4%		
Autoparts manufacturing	5.8%	8.5%		6.8%		6.7%	8.8%		
Others	631.9%	-119.9%		-181.5%		75.1%	-171.3%		
Aggregate Total	17.9%	16.1%		14.5%		15.8%	15.2%		

Source: Company, Apex Securities

Results Note

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Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	2416.2	2485.6	2344.2	2361.5	2384.7
Gross Profit	200.4	211.2	187.5	188.9	190.8
EBITDA	116.8	87.1	77.4	80.9	83.8
Depreciation & Amortisation	-19.6	-17.9	-18.6	-18.6	-18.2
EBIT	97.2	69.2	58.7	62.3	65.5
Net Finance Income/ (Cost)	5.1	4.3	4.5	6.0	6.7
Associates & JV	288.9	319.7	297.0	299.2	302.1
Pre-tax Profit	391.3	393.2	360.2	367.5	374.4
Tax	-23.0	-20.6	-19.8	-20.2	-20.6
Profit After Tax	368.3	372.5	340.4	347.3	353.8
Minority Interest	37.1	39.5	39.5	39.5	39.5
PAT-MI	331.2	333.0	300.9	307.8	314.3
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	331.2	333.0	300.9	307.8	314.3

Key Ratios

FYE Dec	FY23	FY24	FY25F	FY26F	FY27F
EPS (sen)	84.7	85.2	77.0	78.7	80.4
P/E (x)	6.4	6.4	7.1	6.9	6.8
P/B (x)	0.9	0.8	0.8	0.7	0.7
EV/EBITDA (x)	22.3	30.5	36.0	35.5	35.4
DPS (sen)	39.0	42.1	41.6	45.7	49.0
Dividend Yield (%)	7.2%	7.7%	7.6%	8.4%	9.0%
EBITDA margin (%)	4.8%	3.5%	3.3%	3.4%	3.5%
EBIT margin (%)	4.0%	2.8%	2.5%	2.6%	2.7%
PBT margin (%)	16.2%	15.8%	15.4%	15.6%	15.7%
PAT margin (%)	15.2%	15.0%	14.5%	14.7%	14.8%
NP margin (%)	13.7%	13.4%	12.8%	13.0%	13.2%
Core NP margin (%)	13.7%	13.4%	12.8%	13.0%	13.2%
ROE (%)	0.3%	1.7%	2.9%	3.3%	3.9%
ROA (%)	12.8%	12.2%	10.3%	9.9%	9.6%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Valuations

	FY26F
Core EPS (RM)	0.79
P/E multiple (x)	8.00
Fair Value (RM)	6.30
ESG premium/discount	0%
Implied Fair Value (RM)	6.30

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Cash	197.2	258.3	350.3	413.8	469.5
Receivables	165.6	162.1	152.9	154.0	155.5
Inventories	161.0	114.2	100.4	107.1	108.2
Other current assets	22.0	26.9	26.9	26.9	26.9
Total Current Assets	545.8	561.6	630.5	701.9	760.2
Fixed Assets	186.6	194.0	193.4	189.9	188.4
Intangibles	1.1	1.1	1.1	1.1	1.1
Other non-current assets	1862.8	1983.5	2093.4	2204.1	2315.9
Total Non-current assets	2050.5	2178.6	2287.9	2395.0	2505.4
Short-term Debt	16.4	45.9	49.9	59.9	64.9
Payables	89.6	79.2	124.9	124.6	126.2
Other Current Liabilities	57.9	54.2	4.7	4.7	4.7
Total Current Liabilities	163.9	179.2	179.5	189.3	195.8
Long-term Debt	1.7	8.4	8.4	8.4	8.4
Other non-current liabilities	4.8	5.4	5.4	5.4	5.4
Total Non-current Liabilities	6.4	13.8	13.8	13.8	13.8
Shareholder's equity	2128.1	2226.4	2364.8	2494.0	2616.6
Minority interest	297.9	320.8	360.3	399.8	439.3
Equity	2426.0	2547.1	2725.1	2893.8	3055.9

Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Pre-tax profit	391.3	393.2	360.2	367.5	374.4
Depreciation & amortisation	19.6	17.9	18.6	18.6	18.2
Changes in working capital	-61.9	36.5	19.3	-8.1	-1.0
Others	-350.0	-346.9	-316.8	-319.4	-322.7
Operating cash flow	-1.0	100.7	81.3	58.6	68.9
Capex	-6.3	-26.8	-18.7	-18.0	-15.1
Others	192.1	215.1	187.8	191.5	188.6
Investing cash flow	185.8	188.3	169.1	173.4	173.6
Dividends paid	-258.0	-234.5	-162.5	-178.5	-191.7
Others	-14.8	7.2	4.0	10.0	5.0
Financing cash flow	-272.8	-227.3	-158.5	-168.5	-186.7
Net cash flow	-88.0	61.6	91.9	63.5	55.7
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	284.7	196.7	258.3	350.3	413.8
Ending cash	196.7	258.3	350.3	413.8	469.5

Results Note

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ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Scope 1 emissions at 1,717 tCO ₂ e and Scope 2 emissions at 9,612 tCO ₂ e in FY23
Waste & Effluent	★★★	Total CO ₂ emissions reported at 11,329 tCO ₂ e (Scope 1: 1,717 tCO ₂ e, Scope 2: 9,612 tCO ₂ e) in FY23
Energy	★★★	Energy consumption increased by 1% YoY to 15,041,845 kWh
Water	★★★	Water consumption increased 6% YoY to 142,824 m ³ in FY23 due to increased production and sales
Compliance	★★★	In compliance with local and international environmental regulations

Social

Diversity	★★★	73% of average employees age below 40, 21% of employees are female
Human Rights	★★★	Enforce and adopts Code of Ethics and Conduct
Occupational Safety and Health	★★	292 hours of OSH trainings completed, one worksite incidence in FY23
Labour Practices	★★★	Pay scale based on prevailing industry market rates as stipulated by the Act 732 National Wages Consultative Council Act

Governance

CSR Strategy	★★★	Pesta Makanan Amal 2023 and donated to Sekolah Semangat Maju
Management	★★	Board composition: 9 members, with 2 female directors and 4 independent directors. The average board member age is 53
Stakeholders	★★★	4x analyst briefings per annum, 1x AGM per annum

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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As of **Thursday, 27 Nov, 2025**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.