

Tan Wai Wern

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Recommendation:	BUY
Current Price:	RM 1.05
Previous Target Price:	RM 1.46
Target Price:	RM 1.40
Capital Upside/ Downside:	33.3%
Dividend Yield (%):	6.7%
Total Upside/ Downside:	40.0%

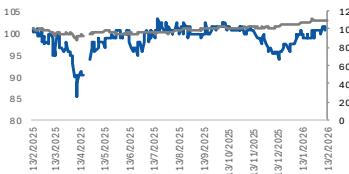
Stock Information

Board	MAIN
Sector	Property
Bursa / Bloomberg Code	1724 / PARMK
Syariah Compliant	Yes
ESGRating	★★
Sharesissued (m)	622.8
Market Cap (RM' m)	653.9
52-Week Price Range (RM)	1.12-0.9
Beta (x)	0.7
Free float (%)	47.2
3M Average Volume (m)	0.2
3MAverage Value (RM' m)	0.2

Top 3 Shareholders (%)

Paramount EquitiesSdn Bhd	24.8
Southern Palm Ind Sdn Bhd	8.4
Southern AcidsMalaysia Bhd	4.3

Share Price Performance



	1M	3M	12M
Absolute (%)	1.0	0.0	-4.5
Relative (%)	-0.6	-6.5	-12.7

Earnings Summary	FY25	FY26	FY27F
Revenue (RM'm)	946.87	1092.2	1231.6
PATAMI (RM'm)	118.8	100.3	126.8
CNP (RM'm)	72.3	100.3	126.8
EPS - core (sen)	11.6	16.1	20.4
P/E(x)	9.0	6.5	5.2

Paramount Corporation Bhd

Earnings Miss

- Paramount's 4QFY25 CNP came in at RM47.3m (-72.5% YoY, -59.4% QoQ), bringing 12MFY25 CNP to RM72.3m (-16.1% YoY), which accounts for 87.1% of our full-year forecast and 75.0% of consensus estimates.
- The Group declared a second interim DPS of 4.5 sen, bringing YTD DPS to 7.5 sen.
- Following slower-than-expected launches last year, we moderated the projected sales for the Group's new launches. As a result, our earnings forecasts are revised by -4.7%/+7.5% to RM100.3m/RM126.8m for FY26F/FY27F.
- Maintain BUY recommendation with reduced target price of RM1.40 (from RM1.46), derived from a 50% discount to RNAV, incorporating a three-star ESG rating.

Results below expectations. Excluding a net gain of RM47.3m from the disposal of investment properties, 4QFY25 core net profit (CNP) came in at RM10.3m, bringing 12MFY25 CNP to RM72.3m. The result missed expectations, accounting for 87.1% of our forecast and 75.0% consensus estimate. The shortfall stemmed from lower-than-expected FY25 property sales of RM1.0bn (-26% YoY). The softer sales outcome was attributed to the Group's reduced launch activity, with FY25 launches totalling RM808m against an initial target of RM1.0bn. Consequently, unbilled sales declined by 80m YoY to RM1.5bn at the end-FY25.

YoY. 4QFY25 CNP plunged 72.5% YoY, weighed by weaker contributions from both the Property and Coworking segments. Operating profit in the Property segment fell 42.9%, primarily due to lower-than-expected property sales amid a slowdown in new property launches. Meanwhile, the Coworking segment underperformed as reduced design-and-build revenue from Scalable Malaysia resulted in a loss before tax of 0.4m, reversing from a profit before tax of RM0.6m in the same period last year. Excluding the non-recurring dividend income of RM25.9m from EWI in 4QFY24 and the RM49.8m gain from investment property disposals in 4QFY25, the Investment & Others segment swung from a profit before tax of RM3.3m to a loss of RM3.8m.

QoQ. CNP was down by 59.4% QoQ due to lower contributions from the Property segment where PBT fell 35.7% to RM23.6m (from RM41.4m). New property launches of RM92m in GDV fell short of our initial forecast of RM384m, representing a shortfall of RM292m.

Dividend. The Group declared a second interim DPS of 4.5 sen (4QFY24: 1.5 sen), bringing YTD DPS to 7.5 sen (FY24: 7.5 sen). We believe this higher-than-expected DPS was supported by its net gain in disposal of investment properties this quarter.

Outlook. The Group's outlook remains positive, underpinned by a robust pipeline of upcoming property launches and rising earnings contributions from its newly acquired associate, Envictus International Holdings Limited (EIHL). Earnings visibility is supported by ongoing construction progress and healthy sales take-up. Unbilled sales remain at a healthy level of RM1.5bn, which is expected to be progressively recognised through FY28 as projects advance. As at 31 December 2025, the Group maintains an undeveloped landbank of 321.6 acres, with 44.9% located in the Central region and 55.1% in the Northern region. Including launched developments currently available for sale, the Group's total potential GDV stands at RM4.8bn, comprising 58.9% Central and 41.1% Northern exposure. A series of upcoming launches, including Greenwoods, Paramount Embun Hills and Bukit Banyan, is expected to underpin the Group's targeted property launches of RM1.1bn in FY26.

EIHL is expected to remain resilient, supported by steady top-line growth of 2.7% YoY. Growth was primarily driven by a strong performance in the Dairies division, where revenue increased 34.3% to RM43.5m, followed by the Trading and Frozen Food divisions, which grew 13.3% to RM42.1m. In contrast, revenue from the Food Services division declined 8.8% YoY to RM112.6m, largely reflecting seasonal softness in consumer spending. As at end-CY25, the Group operated a total of 104 Texas Chicken Malaysia outlets (CY24: 98) and 50 San Francisco Coffee outlets (CY24: 53).

Looking ahead, EIHL plans to open 15 new Texas Chicken outlets by September 2026, while continuing to rationalise its San Francisco Coffee footprint through a shift towards kiosk-based formats to reduce operating overheads.

Earnings Revision. Following slower-than-expected launches last year, we moderated the projected sales for the Group's new launches. As a result, our earnings forecasts are revised by -4.7%/+7.5% to RM100.3m/RM126.8m for FY26F/FY27F.

Valuation. We maintain our **BUY** call with a reduced TP of **RM1.40** (from RM1.46), based on a 50% discount to our RNAV of RM1.7bn.

Risk. Failure to monetise non-core assets, affordability concerns amid premium positioning and rising construction costs.

Results Comparison

FYE Dec (RM m)	4QFY25	4QFY24	yoY (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoY (%)
Revenue	258.0	361.1	(28.6)	242.7	6.3	951.1	1,040.2	(8.6)
Operating profit	78.6	86.7	(9.3)	46.5	69.2	199.5	199.8	(0.1)
EBIT	92.2	97.6	(5.6)	57.8	59.3	245.3	236.9	3.5
Depreciation and amortisation	7.1	7.4	(4.4)	7.4	(4.4)	28.3	27.3	3.5
EBITDA	99.2	105.1	(5.5)	65.3	52.1	273.5	264.2	3.5
Finance income	0.8	1.4	(47.0)	1.1	(31.1)	4.8	3.9	24.4
Finance cost	(14.3)	(12.4)	15.3	(12.5)	14.5	(50.6)	(41.0)	23.5
Share of JV results	4.1	(4.4)	nm	(0.0)	nm	3.3	(5.8)	nm
Pre-tax profit	69.3	71.3	(2.9)	35.1	97.2	157.0	156.9	0.1
Taxation	(11.7)	(15.5)	(24.5)	(8.9)	30.5	(35.9)	(42.0)	(14.5)
Net profit	57.6	55.8	3.1	26.2	120.0	121.1	114.9	5.4
Core net profit	10.3	37.3	(72.5)	25.3	(59.4)	72.3	86.2	(16.1)
Core EPS (sen)	0.5	2.0	(72.5)	1.3	(59.4)	3.9	4.6	(16.1)
EBITDA margin (%)	38.5	29.1		26.9		28.8	25.4	
PBT margin (%)	26.9	19.7		14.5		16.5	15.1	
Core net profit margin (%)	4.0	10.3		10.4		7.6	8.3	

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	4QFY25	4QFY24	yoY (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoY (%)
Revenue								
Property	243.8	322.8	(24.5)	229.8	6.1	897.7	965.3	(7.0)
Coworking	5.3	8.7	(39.2)	5.2	3.0	24.5	23.5	3.9
Other businesses & investments	100.8	86.1	17.1	29.6	240.9	184.9	222.7	(17.0)
Eliminations	(96.1)	(56.6)	69.9	(218)	340.0	(160.2)	(171.4)	(6.6)
Total	253.8	361.1	(29.7)	242.7	4.5	946.9	1,040.2	(9.0)
PBT								
Property	23.6	41.4	(42.9)	36.8	(35.7)	126.4	144.0	(12.2)
Coworking	(0.4)	0.6	nm	0.5	nm	(0.2)	0.7	nm
Other businesses & investments	128.6	10.9	1,080.5	(9.7)	nm	99.5	76.4	30.2
Elimination	(82.5)	18.4	nm	7.5	nm	(68.7)	(64.2)	7.0
Total	69.3	71.3	(2.9)	35.1	97.2	157.0	156.9	0.1
Operating profit margin								
Property	9.7%	12.8%	-3.1%	16.0%	-6.3%	14.1%	14.9%	(0.0)
Coworking	-7.7%	7.4%	-15.1%	10.5%	-18.3%	-1.0%	2.8%	(0.0)
Other businesses & investments	127.6%	12.7%	114.9%	-32.7%	160.3%	53.8%	34.3%	0.2
Elimination	85.9%	-32.4%	118.3%	-34.3%	120.2%	42.9%	37.5%	0.1
Aggregate Total	27.3%	19.7%	7.5%	14.5%	12.8%	16.6%	15.1%	0.0

Source: Company, Apex Securities

Results Note

Monday, 16 Feb, 2026

BURSA RISE+

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Supported by Capital Market Development Fund



Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Revenue	1012.3	1040.2	946.9	1092.2	1231.6
Operating Profit	160.0	199.8	199.5	321.9	363.0
EBITDA	183.4	226.1	273.5	200.5	226.4
Depreciation & Amortisation	-23.3	-26.3	-28.3	-27.1	-26.5
EBIT	160.0	199.8	245.3	173.4	200.0
Net Finance Income/(Cost)	-27.3	-37.1	-45.8	-43.3	-38.0
Associates & JV	-2.5	-5.8	3.3	10.0	15.0
Pre-tax Profit	130.2	156.9	157.0	140.0	176.9
Tax	-35.1	-42.0	-35.9	-39.2	-49.5
Profit After Tax	95.1	114.9	121.1	100.8	127.4
Minority Interest	0.0	0.3	2.3	0.5	0.6
Net Profit	82.8	102.4	118.8	100.3	126.8
Exceptionals	0.4	-17.0	-46.5	0.0	0.0
Core Net Profit	83.2	85.5	72.3	100.3	126.8

Key Ratios

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
EPS (sen)	13.4	13.7	11.6	16.1	20.4
P/E (x)	7.9	7.6	9.0	6.5	5.2
P/B (x)	0.4	0.4	0.4	0.4	0.4
EV/EBITDA (x)	6.9	6.3	5.6	6.3	4.9
DPS (sen)	7.0	7.5	7.5	7.0	7.0
Dividend Yield (%)	6.7%	7.1%	7.1%	6.7%	6.7%
EBITDA margin (%)	18.1%	21.7%	28.9%	18.4%	18.4%
EBIT margin (%)	15.8%	19.2%	25.9%	15.9%	16.2%
PBT margin (%)	12.9%	15.1%	16.6%	12.8%	14.4%
PAT margin (%)	9.4%	11.1%	12.8%	9.2%	10.3%
NP margin (%)	8.2%	9.8%	12.5%	9.2%	10.3%
CNP margin (%)	8.2%	8.2%	7.6%	9.2%	10.3%
ROE (%)	5.1%	5.8%	4.9%	6.6%	7.9%
ROA (%)	2.8%	2.8%	2.2%	3.0%	3.8%
Gearing (%)	49.9%	66.7%	81.5%	75.7%	64.0%
Net gearing (%)	37.5%	52.1%	59.2%	39.9%	28.5%

Valuations

	FY26F	Valuation methodology
Total RNAV (RM' m)	1749.2	(Ke: 10%)
Discount Rate	50.0%	
Discounted RNAV (RM' m)	874.6	
No. of shares	622.8	
Fair Value (RM)	1.40	

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Cash and bank balances	203.2	217.0	331.5	543.1	569.1
Receivables	117.1	222.4	317.3	253.3	219.1
Inventories	219.8	327.1	440.1	192.5	233.7
Other current assets	840.3	994.9	711.2	773.4	0.0
Total Current Assets	1380.4	1761.4	1800.2	1762.2	1822.8
Fixed Assets	137.9	139.4	153.2	130.1	127.7
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	1458.8	1164.0	1296.7	1406.4	1408.9
Total Non-Current Assets	1596.7	1303.5	1449.9	1536.5	1536.6
Short-term debt	268.9	353.5	369.4	409.8	366.6
Payables	459.1	520.6	475.7	557.4	657.4
Other current liabilities	7.1	12.7	7.5	12.7	12.7
Total Current Liabilities	735.2	886.8	852.6	979.8	1036.7
Long-term debt	545.3	635.1	843.7	739.6	659.5
Other non-current liabilities	66.1	60.5	64.8	60.5	60.5
Total Non-Current Liabilities	611.4	695.6	908.6	800.1	720.0
Shareholder's equity	1629.3	1481.0	1488.0	1516.6	1599.8
Minority interest	1.2	1.4	1.0	2.3	2.9
Total Equity	1630.5	1482.4	1488.9	1518.9	1602.7

Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Pre-tax profit	130.2	156.9	157.0	140.0	176.9
Depreciation & amortisation	23.3	26.3	28.3	27.1	26.5
Changes in working capital	284.9	92.0	12.6	65.5	277.9
Others	-140.2	111.2	-102.8	9.8	-281.4
Operating cash flow	298.2	386.5	95.0	242.4	199.9
Capex	-9.4	-11.4	-10.7	-11.5	-11.6
Others	-82.6	-304.9	-106.1	-85.9	4.5
Investing cash flow	-92.1	-316.3	-116.8	-97.3	-7.1
Dividends paid	-15.2	-62.3	-28.0	-43.6	-43.6
Others	-245.9	-25.9	182.3	92.0	-123.2
Financing cash flow	-361.1	-88.2	154.3	48.4	-166.8
Net cash flow	-154.9	-18.0	132.5	193.5	26.0
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	296.8	141.9	123.8	256.4	449.9
Ending cash & cash equivalent	141.9	123.8	256.4	449.9	475.9
Fixed deposits and overdraft	61.3	93.2	75.2	93.2	93.2
Total cash & deposits	203.2	217.0	331.5	543.1	569.1

Results Note

Monday, 16 Feb, 2026

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Emissions	★★	Actively tracks carbon emissions across its reported entities
Energy	★★★	Reduced average Building Energy Intensity (BEI) from 136 kWh/m ² /year to 127 kWh/m ² /year in FY24
Water	★★★	Reduced average Water Intensity (WI) from 1.056m ³ /m ² /year to 0.604m ³ /m ² /year in FY24
Waste	★★★	Reduced construction waste from 10,135 mT to 6,278 mT in FY24

Social

Diversity	★★★	Balanced gender across workforce with 52% male and 48% female
Occupational Safety and Health	★★★	40 health and safety training attended by 77 employees at construction sites
Labour Practices	★★★	Zero injuries and fatalities across construction sites
Training and Development	★★★	Employees averaged 39 training hours in FY24

Governance

CSR Strategy	★★★	Committed RM571,635 in community investments benefitting 51 organisations and communities
Oversight	★★	The Board undertakes an oversight role of the Group's sustainability efforts
Directors	★★	25% female representation across directors
ESG Ratings	★★★	Constituent of FTSE4Good Index Series with 3-star rating

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.