

Team Coverage

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Recommendation:	BUY
Current Price:	RM4.99
Previous/Target Price:	RM6.30
Target Price:	RM7.04 ↑
Capital Upside/Downside:	41.1%
Dividend Yield (%):	10.2%
Total Upside/Downside:	51.3%

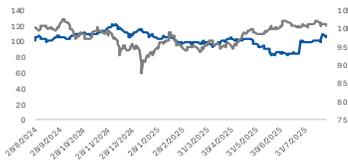
Stock information

Board	MAIN
Sector	Automotive
Bursa / Bloomberg Code	5983 / MBMMK
Syariah Compliant	Yes
ESGRating	***
Sharesissued (m)	390.9
Market Cap (RM' m)	1,950.5
52-Week Price Range (RM)	5.583-4.173
Beta (x)	1.0
Free float (%)	39.8
3M Average Volume (m)	0.4
3M Average Value (RM' m)	2.1

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 (%)	-4.8	-7.5	-4.3
Relative (%)	-3.4	-12.1	-12.2

Earnings Summary

FYE Dec (RM m)	FY 24	FY 25F	FY 26F
Revenue	2,485.6	2,549.2	2,583.1
PATAMI	333.0	339.1	343.9
CNP	333.0	333.6	343.9
Core EPS (sen)	85.2	85.3	88.0
PE (x)	6.4	6.4	6.2

Source: Company, Apex Securities

MBM Resources Berhad

Above Expectations

- 4QFY25 CNP stood at RM100.6m (+13.0% QoQ, +21.9% YoY), bringing the 12MFY25 CNP to RM333.5m (5.0% YoY). The results came in above our (111%) and consensus (107%) estimates due to stronger-than-expected motor trading sales, supported by effective year-end campaigns and improved associate contributions.
- The earnings expansion was supported by motor trading and assembly revenue growth of +18.2% QoQ, +11.2% YoY, auto parts revenue rising +13.8% YoY, and associate contributions increasing +16.2% YoY, partially offset by a 3.9% QoQ decline in motor trading PBT due to heavier promotional discounting.
- We raise our FY26F/27F by 11.7%/14.5% to reflect higher sales assumptions across both the Motor Trading and Auto Parts divisions, alongside stronger projected contributions from associates and JVs.
- Maintain our BUY recommendation with higher target price of RM7.04 (from RM6.30), by pegging at 8.0x P/E FY26F EPS of 88.0sen.

Results Above expectations. 4QFY25 core net profit (CNP) came in at RM100.6m (+13.0% QoQ, +21.9% YoY) after excluding a realised forex gain of RM0.1m, lifting 12MFY25 CNP to RM333.5m (+5.2% YoY). The results exceeded both our forecast (111%) and consensus (107%). The outperformance was primarily driven by stronger-than-expected motor trading sales during year-end campaigns, coupled with firmer associate contributions.

Dividend. No dividend declared for the quarter. DPS for FY25 amounted to 39.0sen (FY24: 54.0sen).

QoQ. CNP rose 13.0% QoQ alongside a 15.9% increase in revenue, driven by an 18.2% uplift in motor trading and assembly revenue on stock-clearing campaigns. However, operating leverage was partially capped by margin compression. Motor trading PBT declined 3.9% QoQ due to heavier discounting and promotional intensity, tempering the earnings uplift from stronger sales volumes.

YoY. CNP increased 21.9% YoY, supported by broader-based revenue growth across motor trading and assembly (+11.2%) and auto parts (+13.8%), alongside a 16.2% increase in associate contributions. Growth was underpinned by resilient demand across core segments despite softer industry production conditions and elevated promotional activity during the year-end period.

YTD. 12MFY25 CNP grew 5.0% YoY, outperforming the 0.7% YoY increase in Total Industry Volume (TIV). The uplift was driven by revenue expansion in motor trading (+1.6%) and auto parts (+9.5%), as well as stronger associate contributions (+5.9%). However, operating margins softened, with auto parts PBT declining 13.2% YoY amid a 5.4% contraction in TIP and weaker margins, while motor trading PBT fell 8.4% YoY due to intensified competition and sustained discounting on mature models.

Outlook. Following Malaysia's record Total Industry Volume (TIV) of 820,752 units in 2025, we expect industry volumes to normalise to 780,000 units in 2026F (-5% YoY) as demand moderates from a high base. Despite the anticipated moderation in TIV, we expect MBMR to deliver structurally resilient earnings, underpinned by Perodua's dominant market positioning, healthy order backlog and recurring associate contributions, which should mitigate the impact of softer industry volumes. The Auto Parts division is positioned for gradual recovery, supported by improved OEM production schedules and ongoing operational efficiencies. While competitive pressures may weigh on margins within the non-national segment, we believe earnings downside is cushioned by MBMR's diversified revenue base and strong associate income visibility.

Earnings Revision. Following the earnings outperformance, we raise our FY26/27F forecasts by 11.7%/14.5% to RM343.9m/RM360.0m (from RM307.8m/RM314.3m). The upgrade reflects

higher motor trading volume assumptions, a firmer auto parts revenue outlook, and stronger projected contributions from associates and JVs.

Valuation. We maintain our **BUY** recommendation with a higher target price of **RM7.04 (from RM6.30)**, based on 8.0x FY26F EPS of 88.0 sen. Our 8.0x valuation implies a c.10% discount to the 2026F sector average P/E of 8.9x, reflecting margin normalisation and competitive intensity risks. We continue to favour MBMR for its (i) strong market positioning via Perodua, (ii) diversified earnings base across vehicle trading and parts, and (iii) consistent associate contributions providing earnings visibility.

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

Monday, 02 Mar, 2026

Results Comparison

FYE Dec (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)	Comments
Revenue	736.8	660.9	11.5	635.9	15.9	2,549.2	2,485.6	2.6	
EBITDA	14.1	15.1	(6.8)	19.9	(29.1)	59.5	59.9	(0.7)	
Pre-tax profit	119.7	115.8	3.3	113.5	5.4	405.2	393.9	2.9	
Net profit	100.6	98.4	2.2	94.5	6.5	339.0	333.7	1.6	
Core net profit	100.6	82.5	21.9	89.0	13.0	333.5	317.8	5.0	
Core EPS (sen)	25.7	21.1	21.9	22.8	13.0	85.3	81.3	5.0	
EBITDA margin (%)	1.9	2.3		3.1		2.3	2.4		
PBT margin (%)	16.2	17.5		17.9		15.9	15.8		
Core net profit margin (%)	13.7	12.5		14.0		13.1	12.8		

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)	Comments
Revenue									
Motor trading	645.9	580.7	11.2	546.5	18.2	2,217.2	2,182.4	1.6	
Autoparts manufacturing	90.2	79.3	13.8	88.6	1.8	329.0	300.5	9.5	
Others	0.8	0.8	(6.6)	0.7	4.1	2.9	2.8	6.6	
Total	736.8	660.9	11.5	635.9	15.9	2,549.2	2,485.6	2.6	
Pre-tax profit									
Motor trading	11.7	13.7	(14.5)	12.2	(3.9)	47.7	52.0	(8.4)	
Autoparts manufacturing	7.0	6.8	2.9	5.1	35.5	22.9	26.3	(13.2)	
Others	(0.8)	(1.6)	(46.6)	5.2	nm	1.4	(4.9)	nm	
Share of a joint venture	7.3	6.2	16.2	7.9	(8.4)	25.3	29.6	(14.6)	
Share of associate	94.6	90.6	4.4	83.0	13.9	308.1	290.8	5.9	
Total	119.7	115.8	3.4	113.5	5.4	405.3	393.9	2.9	
Pre-tax profit margin (%)									
Motor trading	1.8%	2.4%		2.2%		2.1%	2.4%		
Autoparts manufacturing	7.7%	8.5%		5.8%		6.9%	8.8%		
Others	-111.8%	-195.8%		718.1%		48.3%	-178.5%		
Aggregate Total	16.2%	17.5%		17.9%		15.9%	15.8%		

Source: Company, Apex Securities

Results Note

Monday, 02 Mar, 2026

Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Revenue	2416.2	2485.6	2549.2	2583.1	2608.7
Gross Profit	200.4	211.2	215.5	219.6	221.7
EBITDA	116.8	87.1	50.1	88.7	112.3
Depreciation & Amortisation	-19.6	-17.9	17.1	-19.5	-19.2
EBIT	97.2	69.2	67.2	69.2	93.1
Net Finance Income/ (Cost)	5.1	4.3	4.7	5.4	5.8
Associates & JV	288.9	319.7	333.3	337.8	330.5
Pre-tax Profit	391.3	393.2	405.3	412.4	429.4
Tax	-23.0	-20.6	-20.4	-22.7	-23.6
Profit After Tax	368.3	372.5	384.9	389.7	405.8
Minority Interest	37.1	39.5	45.8	45.8	45.8
PAT-MI	331.2	333.0	339.1	343.9	360.0
Exceptionals	0.0	15.9	-5.5	0.0	0.0
Core Net Profit	331.2	317.1	333.6	343.9	360.0

Key Ratios

FYE Dec	FY23	FY24	FY25	FY26F	FY27F
EPS (sen)	84.7	81.1	85.3	88.0	92.1
P/E (x)	6.4	6.7	6.4	6.2	5.9
P/B (x)	0.9	0.8	0.8	0.7	0.7
EV/EBITDA (x)	22.3	30.5	55.0	32.2	26.4
DPS (sen)	39.0	42.1	46.8	51.0	56.2
Dividend Yield (%)	7.2%	7.7%	8.6%	9.4%	10.3%
EBITDA margin (%)	4.8%	3.5%	2.0%	3.4%	4.3%
EBIT margin (%)	4.0%	2.8%	2.6%	2.7%	3.6%
PBT margin (%)	16.2%	15.8%	15.9%	16.0%	16.5%
PAT margin (%)	15.2%	15.0%	15.1%	15.1%	15.6%
NP margin (%)	13.7%	13.4%	13.3%	13.3%	13.8%
Core NP margin (%)	13.7%	12.8%	13.1%	13.3%	13.8%
ROE (%)	0.3%	1.7%	2.9%	3.3%	3.9%
ROA (%)	12.8%	12.2%	11.5%	10.9%	10.8%
Net gearing (%)	Net Cash				

Valuations	FY26F
Core EPS (RM)	0.88
P/E multiple (x)	8.00
Fair Value (RM)	7.04
ESG premium/discount	0%
Implied Fair Value (RM)	7.04

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Cash	197.2	258.3	313.0	382.2	449.4
Receivables	165.6	162.1	166.2	168.4	170.1
Inventories	161.0	114.2	108.7	116.6	117.7
Other current assets	22.0	26.9	26.9	26.9	26.9
Total Current Assets	545.8	561.6	614.9	694.2	764.1
Fixed Assets	186.6	194.0	229.2	226.1	226.8
Intangibles	1.1	1.1	1.1	1.1	1.1
Other non-current assets	1862.8	1983.5	2106.8	2231.8	2354.1
Total Non-current assets	2050.5	2178.6	2337.1	2459.0	2582.0
Short-term Debt	16.4	45.9	49.9	59.9	64.9
Payables	89.6	79.2	134.6	135.6	137.3
Other Current Liabilities	57.9	54.2	4.7	4.7	4.7
Total Current Liabilities	163.9	179.2	189.2	200.2	206.9
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	2382.3	2526.8	2667.1
Minority interest	297.9	320.8	366.6	412.5	458.3
Equity	2426.0	2547.1	2748.9	2939.2	3125.4

Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Pre-tax profit	391.3	393.2	405.3	412.4	429.4
Depreciation & amortisation	19.6	17.9	-17.1	19.5	19.2
Changes in working capital	-61.9	36.5	7.4	-9.1	-1.1
Others	-350.0	-346.9	-353.7	-360.4	-354.1
Operating cash flow	-1.0	100.7	41.8	62.3	93.4
Capex	-6.3	-26.8	-18.7	-18.0	-16.4
Others	192.1	215.1	210.7	214.3	204.8
Investing cash flow	185.8	188.3	192.0	196.3	188.3
Dividends paid	-258.0	-234.5	-183.1	-199.4	-219.6
Others	-14.8	7.2	4.0	10.0	5.0
Financing cash flow	-272.8	-227.3	-179.1	-189.4	-214.6
Net cash flow	-88.0	61.6	54.7	69.2	67.2
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	313.0	382.2
Ending cash	196.7	258.3	313.0	382.2	449.4

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 **Monday, 02 Mar, 2026**, 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.