

Tan Wai Wern

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Recommendation:	BUY
Current Price:	RM 1.03
Previous Target Price:	RM 1.46
Target Price:	↔ RM 1.46
Capital Upside/Downside:	41.7%
Dividend Yield (%):	6.8%
Total Upside/Downside:	48.5%

Stock information

Board	MAIN
Sector	Property
Bursa / Bloomberg Code	1724 / PARMK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	622.8
Market Cap (RM' m)	641.5
52-Week Price Range (RM)	0.97 - 1.11
Beta (x)	0.8
Free float (%)	47.2
3M Average Volume (m)	0.3
3M Average Value (RM' m)	0.3

Top 3 Shareholders (%)

Paramount Equities Sdn Bhd	24.8
Southern Palm Ind Sdn Bhd	15.1
Southern Acids Malaysia Bhd	6.6

Share Price Performance



	1M	3M	12M
Absolute (%)	2.0	-5.5	-3.7
Relative (%)	2.4	-3.6	-13.7

Earnings Summary	FY25	FY26F	FY27F
Revenue (RM' m)	946.9	1,092.2	1,396.6
PATAMI (RM' m)	118.8	100.3	149.4
CNP (RM' m)	72.3	100.3	149.4
EPS - core (sen)	11.6	16.1	24.0
P/E(x)	8.9	6.4	4.3

Paramount Corporation Bhd

Broadly In-Line

- Paramount's 1QFY26 CNP came in at RM13.7m (-5.6% YoY; +33.4% QoQ), which accounts for 13.6% of ours and 13.7% of consensus estimates. We deem the results to be in-line as the Group's earnings are weighted toward 2HFY due to concentrated launch activities.
- We expect the Group's performance to remain resilient, supported by its robust unbilled sales of RM1.5bn, sizable undeveloped landbank of 617.2 acres and available for sales launched developments equivalent to RM1.4bn.
- Maintain a BUY recommendation with unchanged target price of RM1.46, derived from a 50% discount to RNAV, incorporating a three-star ESG rating.

Results met expectations. Excluding exceptional items comprising gains on derivatives and net forex losses amounting to RM0.7m, PAR reported a 1QFY26 core net profit (CNP) of RM13.7m (-5.6% YoY; +33.4% QoQ). We deem the results to be broadly in line with expectations, despite accounting for only 13.6% of our and 13.7% of consensus estimates, as the Group's earnings are typically weighted toward the second half of the financial year. The softer performance during the quarter was mainly attributable to a lower number of ongoing projects, the absence of new property launches and slower revenue recognition from projects in the early construction stages.

YoY. PAR's 1QFY26 CNP declined -5.6%, weighed by weaker contributions from Property and Coworking divisions. The Property segment recorded a -26.8% decline in profit before tax (PBT), primarily due to slower revenue recognition from developments in the early construction stages. Consequently, property sales fell -33.9% YoY to RM152.0m as a result of the Group's prudent launch approach. Meanwhile, the Coworking segment registered a wider loss before tax (LBT) of RM0.8m (+62.4% YoY) due to the absence of design-and-build contributions from Scalable Malaysia, coupled with higher fixed operating costs from two newly opened coworking spaces.

QoQ. CNP rose +33.4%, due to the absence of a RM47.3m net gain from the disposal of investment properties recognised in 4QFY25. Excluding this one-off item, underlying earnings momentum remained softer, as the Property segment recorded a -4.2% decline in PBT which was led by a -85.3% plunge in property sales. In addition, the Group's share of joint venture results declined sharply by -68.2% to RM1.3m, mainly from softer contributions from Envictus International Holdings Limited (EIHL). The weaker performance was primarily attributable to its Food Services division, where PAT fell -35.8% to RM5.5m due to cautious consumer spending.

Outlook. We remain positive on PAR's outlook, supported by its robust pipeline of upcoming launches, ongoing construction progress and healthy sales visibility. The Group's unbilled sales remain healthy at RM1.5bn and are expected to be progressively recognised through FY28 as developments advance. In addition, the Group maintains a sizeable undeveloped landbank of 617.2 acres, with 23.4% located in the Central region and the remaining 76.6% in the Northern region, providing a strong foundation for long-term development activities. Earnings visibility is further supported by an inventory of launched developments with an aggregate GDV of RM1.4bn currently available for sale. Looking ahead, management is targeting RM1.1bn in property launches for FY26, with the bulk of launches scheduled for 2HFY26. Key upcoming projects include the first phase of a newly acquired development land in Kulim, a landed residential project in Shah Alam and two blocks of high-end serviced apartments within the U-Thant enclave. Meanwhile, EIHL (Sept FYE) is expected to remain resilient, supported by steady top-line growth of +3.5% YoY to RM382.8m in 1HFY26. The expansion of Texas Chicken Malaysia also remains on track, with six new outlets opened year-to-date, keeping the Group on course to achieve its FY26 target of opening 15 new outlets (FY25:101).

Earnings Revision. We make no changes to our earnings forecast at this juncture, while our GDV launch estimates for FY26 remains at RM1.1bn.

Valuation. We maintain our **BUY** recommendation with an unchanged TP of **RM1.46**. This is based on a 50% discount to our estimated RNAV of RM1.8bn.

Risk. Failure to monetise non-core assets, exposure to the cyclical nature of the property sector and rising construction costs.

Results Note

Monday, 25 May, 2026

BURSA RISE+

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Results Comparison

FYE Dec (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)
Revenue	152.2	216.5	(29.7)	258.0	(41.0)	152.2	216.5	(29.7)
Operating profit	28.4	34.5	(17.6)	78.6	(63.8)	28.4	34.5	(17.6)
EBIT	39.6	45.6	(13.0)	92.2	(57.0)	39.6	45.6	(13.0)
Depreciation and amortisation	7.3	6.9	5.9	7.1	3.0	7.3	6.9	5.9
EBITDA	46.9	52.4	(10.5)	99.2	(52.7)	46.9	52.4	(10.5)
Finance income	1.0	1.2	(10.6)	0.8	38.3	1.0	1.2	(10.6)
Finance cost	(12.2)	(12.2)	0.3	(14.3)	(14.4)	(12.2)	(12.2)	0.3
Share of JV results	1.3	(0.9)	nm	4.1	(68.2)	1.3	(0.9)	nm
Pre-tax profit	18.6	22.6	(17.7)	69.3	(73.2)	18.6	22.6	(17.7)
Taxation	(4.2)	(7.0)	(40.0)	(11.7)	(64.1)	(4.2)	(7.0)	(40.0)
Net profit	14.4	15.6	(7.6)	57.6	(75.0)	14.4	15.6	(7.6)
Core net profit	13.7	14.5	(5.6)	10.3	33.4	13.7	14.5	(5.6)
Core EPS (sen)	2.2	2.3	(5.6)	1.6	33.4	2.2	2.3	(5.6)
EBITDA margin (%)	30.8	24.2		38.5		30.8	24.2	
PBT margin (%)	12.2	10.4		26.9		12.2	10.4	
Core net profit margin (%)	9.0	6.7		4.0		9.0	6.7	

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)
Revenue								
Property	140.1	205.9	(32.0)	243.8	(42.5)	140.1	205.9	(32.0)
Coworking	4.7	6.6	(28.5)	5.3	(11.2)	4.7	6.6	(28.5)
Other businesses & investments	29.3	26.0	12.5	100.8	(71.0)	29.3	26.0	12.5
Eliminations	(21.9)	(22.0)	(0.8)	(96.1)	(77.3)	(21.9)	(22.0)	(0.8)
Total	152.2	216.5	(29.7)	253.8	(40.0)	152.2	216.5	(29.7)
PBT								
Property	22.6	30.9	(26.8)	23.6	(4.2)	22.6	30.9	(26.8)
Coworking	(0.8)	(0.5)	62.4	(0.4)	95.6	(0.8)	(0.5)	62.4
Other businesses & investments	(15.6)	(7.3)	115.5	128.6	nm	(15.6)	(7.3)	115.5
Elimination	12.4	(0.6)	nm	(82.5)	nm	12.4	(0.6)	nm
Total	18.6	22.6	(17.7)	69.3	(73.2)	18.6	22.6	(17.7)
Operating profit margin			%-pts		%-pts			%-pts
Property	16.2%	15.0%	1.1%	9.7%	6.5%	16.2%	15.0%	0.0
Coworking	-17.0%	-7.5%	-9.5%	-7.7%	-9.3%	-17.0%	-7.5%	(0.1)
Other businesses & investments	-53.4%	-27.9%	-25.5%	127.6%	-181.0%	-53.4%	-27.9%	(0.3)
Elimination	-56.5%	2.9%	-59.4%	85.9%	-142.4%	-56.5%	2.9%	(0.6)
Aggregate Total	12.2%	10.4%	1.8%	27.3%	-15.1%	12.2%	10.4%	0.0

Source: Company, Apex Securities

Results Note

Monday, 25 May, 2026

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APEX
SECURITIES
鼎峰证券有限公司

Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Revenue	1,012.3	1,040.2	946.9	1,092.2	1,396.6
EBITDA	183.4	226.1	141.3	200.5	257.4
Depreciation & Amortisation	-23.3	-26.3	-28.3	-27.1	-26.5
EBIT	160.0	199.8	113.1	173.4	230.9
Net Finance Income/ (Cost)	-27.3	-37.1	-47.2	-43.3	-37.3
Associates & JV	-2.5	-5.8	3.3	10.0	15.0
Pre-tax Profit	130.2	156.9	157.0	140.0	208.6
Tax	-35.1	-42.0	-35.9	-39.2	-58.4
Profit After Tax	95.1	114.9	121.1	100.8	150.2
Minority Interest	0.0	0.3	2.3	0.5	0.8
Net Profit	82.8	102.4	118.8	100.3	149.4
Exceptionals	0.4	-17.0	-46.5	0.0	0.0
Core Net Profit	83.2	85.5	72.3	100.3	149.4

Key Ratios

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
EPS (sen)	13.4	13.7	11.6	16.1	24.0
P/E (x)	7.7	7.5	8.9	6.4	4.3
P/B (x)	0.4	0.4	0.4	0.4	0.4
EV/EBITDA (x)	6.8	6.3	10.8	6.2	3.6
DPS (sen)	7.0	7.5	7.5	7.0	7.0
Dividend Yield (%)	6.8%	7.3%	7.3%	6.8%	6.8%
EBITDA margin (%)	18.1%	21.7%	14.9%	18.4%	18.4%
EBIT margin (%)	15.8%	19.2%	11.9%	15.9%	16.5%
PBT margin (%)	12.9%	15.1%	16.6%	12.8%	14.9%
PAT margin (%)	9.4%	11.1%	12.8%	9.2%	10.8%
NP margin (%)	8.2%	9.8%	12.5%	9.2%	10.7%
CNP margin (%)	8.2%	8.2%	7.6%	9.2%	10.7%
ROE (%)	5.1%	5.8%	4.8%	6.6%	9.2%
ROA (%)	2.8%	2.8%	2.2%	3.0%	4.2%
Gearing (%)	49.9%	66.7%	81.2%	75.7%	62.1%
Net gearing (%)	37.5%	52.1%	59.0%	39.9%	17.5%

Valuations	FY26F	Valuation methodology
Total RNAV (RM' m)	1,815.7	(Ke: 10%)
Discount Rate	50.0%	
Discounted RNAV (RM' m)	907.8	
No. of shares	622.8	
Fair Value (RM)	1.46	

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	725.8
Receivables	117.1	222.4	317.2	253.3	282.4
Inventories	219.8	327.1	449.9	192.5	203.1
Other current assets	840.3	994.9	716.9	773.4	0.0
Total Current Assets	1,380.4	1,761.4	1,815.4	1,762.2	1,991.8
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	1,458.8	1,164.0	1,287.0	1,406.4	1,408.9
Total Non-Current Assets	1,596.7	1,303.5	1,440.2	1,536.5	1,536.6
Short-term debt	268.9	353.5	362.0	409.8	360.9
Payables	459.1	520.6	468.6	557.4	820.1
Other current liabilities	7.1	12.7	14.3	12.7	12.7
Total Current Liabilities	735.2	886.8	844.9	979.8	1,193.7
Long-term debt	545.3	635.1	851.1	739.6	648.8
Other non-current liabilities	66.1	60.5	64.8	60.5	60.5
Total Non-Current Liabilities	611.4	695.6	916.0	800.1	709.3
Shareholder's equity	1,629.3	1,481.0	1,493.8	1,516.6	1,622.4
Minority interest	12	1.4	1.0	2.3	3.0
Total Equity	1,630.5	1,482.4	1,494.8	1,518.9	1,625.4

Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Pre-tax profit	130.2	156.9	157.0	140.0	208.6
Depreciation & amortisation	23.3	26.3	28.3	27.1	26.5
Changes in working capital	284.9	92.0	106.3	216.0	534.5
Others	-140.2	111.2	-95.9	-140.7	-396.4
Operating cash flow	298.2	386.5	195.7	242.4	373.1
Capex	-9.4	-11.4	-10.8	-11.5	-11.6
Others	-82.6	-304.9	-206.7	-85.9	4.5
Investing cash flow	-92.1	-316.3	-217.5	-97.3	-7.1
Dividends paid	-115.2	-62.3	-28.0	-43.6	-43.6
Others	-245.9	-25.9	182.3	92.0	-139.7
Financing cash flow	-361.1	-88.2	154.3	48.4	-183.3
Net cash flow	-154.9	-18.0	132.5	193.5	182.8
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	632.7
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	725.8

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Emissions	★★	Actively tracks carbon emissions across its reported entities
Energy	★★★	Reduced average Building Energy Intensity (BEI) from 117 kWh/m ² /year to 112 kWh/m ² /year in FY25
Water	★★	Increased average Water Intensity (WI) from 0.604m ³ /m ² /year to 0.780m ³ /m ² /year in FY25
Waste	★★★	Reduced construction waste from 6,278 mT to 4.397 mT in FY25

Social

Diversity	★★★	Balanced gender across workforce with 51% male and 49% female
Occupational Safety and Health	★★★	55 health and safety training attended by 120 employees at construction sites
Labour Practices	★★★	Zero fatalities across construction sites
Training and Development	★★★	Employees averaged 41 training hours in FY25

Governance

CSR Strategy	★★★	Committed RM670,396 in community investments benefitting 58 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.