

Research Team

(603) 7890 8899

research.dept@apexsecurities.com.my

Recommendation:	BUY
Current Price:	RM 1.01
Previous Target Price:	RM 1.46
Target Price:	↑ RM 1.51
Capital Upside/Downside:	49.5%
Dividend Yield (%):	6.9%
Total Upside/Downside:	56.4%

Stock information

Board	MAIN
Sector	Property
Bursa / Bloomberg Code	1724 / PARMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	622.8
Market Cap (RM' m)	629.0
52-Week Price Range (RM)	0.97 - 1.11
Beta (x)	0.6
Freefloat (%)	45.9
3M Average Volume (m)	0.2
3M Average Value (RM' m)	0.2

Top 3 Shareholders

	(%)
Paramount Equities Sdn Bhd	24.8
Southern Palm Ind Sdn Bhd	8.4
Southern Acids Malaysia Bhd	4.3

Share Price Performance



	1M	3M	12M
Absolute (%)	0.0	-1.0	-4.7
Relative (%)	-2.0	-3.8	-13.5

Earnings Summary	FY26F	FY27F	FY28F
Revenue (RM' m)	1,092.2	1,396.6	755.5
PATAMI (RM' m)	100.3	149.4	183.1
CNP (RM' m)	100.3	149.4	183.1
EPS - core (sen)	16.1	24.0	29.4
P/E(x)	6.3	4.2	3.4

Paramount Corporation Bhd

Broadly In-Line

- Paramount's 1HFY26 core net profit of RM42.9m (+16.4% YoY), which accounts for 43% of our FY26F forecast and 43% of consensus estimates. We deem the results to be in line as the Group's earnings are weighted toward 2HFY26 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 548.6 acres and available for sales launched developments equivalent to c.RM1.3bn.
- Maintain BUY with a revised TP of RM1.51 (from RM1.46), based on a 55% discount to our revised RNAV of RM2.1bn following an update to our valuation assumptions.

Results Inline with 2H Earnings Weighting. Paramount reported a 2QFY26 core net profit of RM29.2m (+113.3% QoQ, +30.8% YoY), after adjusting for a bad debt written off (RM0.29m), net foreign exchange gain (RM0.16), a loss on derivatives (RM0.03m), and disposal of plant, property and equipment (RM0.01m). This brought 1HFY26 core net profit of RM42.9m (+16.4% YoY). While 1HFY26 earnings accounted for 43% of both our FY26F forecast and consensus estimates, we deem the results in line, as the Group's earnings are typically weighted toward the second half of the financial year.

Interim Dividend. The Group declared a single-tier interim dividend of 3.0 sen per share, with an ex-date of 10 September 2026.

QoQ. Revenue jumped 82% QoQ to RM277.0m from RM152.2m (1QFY26), as Property segment billings accelerated, led by the Bandar Lunas industrial lot sale and stronger progress claims from ongoing high-rise projects. PBT rose 127.2% QoQ to RM42.2m and core net profit more than doubled (+113.3% QoQ) to RM29.2m, reflecting the seasonal pickup as more projects reached billable construction stages.

YoY. Group revenue rose 20.5% YoY to RM277.0m (2QFY25: RM229.9m), driven by the Property segment (+20.6% YoY) on the back of the Lunas land sale and continued Klang Valley contributions. PBT increased 40.4% YoY to RM42.2m and core net profit rose 30.8% YoY to RM29.2m. The Coworking segment remained loss-making on start-up costs at newly opened spaces, while Investment & Others narrowed its losses on stronger Hotel performance and the newly acquired Envictus associate stake.

YTD. 1HFY26 revenue fell 4.4% YoY to RM429.2m, reflecting a smaller active project base as the Group transitioned following 2025 completions, and a deliberately slower pace of new launches (c.RM0.1bn GDV launched in 1HFY26 vs a planned RM1.6bn in 2HFY26). Despite the revenue decline, PBT rose 15.5% YoY to RM60.8m and core net profit increased 16.4% YoY to RM42.9m after adjusting after excluding exceptional items amounting to RM0.558m, aided by a richer product mix with higher-margin products, and improved contributions from Investment & Others.

Outlook. We remain conservative on Paramount'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, equivalent to a 1.7x revenue cover**, and are expected to be progressively recognised through FY28 as development projects progress. In addition, the Group maintains a sizeable undeveloped landbank of 548.6 acres, with 27% located in the Central region and the remaining 73% 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 RM1.3bn currently available for sale. Looking ahead, management is targeting RM1.6bn 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.

Nevertheless, Paramount is taking a more cautious, demand-led approach to its launch pipeline as the property market shows signs of moderating amid geopolitical uncertainty and cost pressures, carefully assessing each project's timing and positioning while prioritising higher-margin products. While it plans to launch an estimated RM1.6 billion in GDV in 2H2026 and remains committed to its previously communicated RM1.2 billion sales target, the Group now views that target as harder to hit than initially expected given softer demand and more cautious buyers. Co-labs Coworking continued its expansion, where a third new workspace opened in July 2026 at Sunway Square, and the Investment & Others segment should keep benefiting from improved Hotel performance and the Envictus associate stake, alongside newly renewed, higher-yielding leases on its two tertiary education campuses.

Earnings Revision. We maintain our FY26F/FY27F core net profit forecasts of RM100.3m/RM149.4m, while introducing FY28F core net profit of RM183.1m. The step-up is driven by the Group's 2H2026 launch pipeline of RM1.6bn reaches peak revenue recognition on the typical multi-year development cycle, supported by the Group's extensive landbank runway.

Valuation. We maintain our **BUY** recommendation with a revised TP of **RM1.51 (from RM1.46)**, based on a 55% discount to our **revised RNAV of RM2.1bn, following an update to our valuation assumptions under the new analyst coverage.**

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

Results Note

Thursday, 27 Aug, 2026

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Results Comparison

FYE Dec (RM m)	2QFY26	2QFY25	yoy (%)	1QFY26	qoq (%)	6MFY26	6MFY25	yoy (%)
Revenue	277.0	229.9	20.5	152.2	82.0	429.2	446.4	(3.9)
Operating profit	53.1	39.8	33.4	28.4	86.8	81.6	74.4	9.7
EBIT	65.4	49.7	31.5	39.6	65.0	105.0	95.3	10.2
Depreciation and amortisation	7.8	6.9	13.6	7.3	7.2	15.1	13.8	9.8
EBITDA	73.2	56.6	29.3	46.9	56.0	120.1	109.0	10.2
Finance income	2.4	1.8	33.4	1.0	126.7	3.4	3.0	16.0
Finance cost	(14.6)	(11.7)	25.5	(12.2)	19.6	(26.9)	(23.9)	12.6
Share of JV results	1.3	0.1	1,022.5	1.3	2.4	2.7	(0.8)	nm
Pre-tax profit	42.2	30.1	40.4	18.6	127.2	60.8	52.6	15.5
Taxation	(10.9)	(8.3)	31.3	(4.2)	159.2	(15.1)	(15.3)	(1.4)
Net profit	31.3	21.8	43.9	14.4	117.9	45.7	37.4	22.4
Core net profit	29.2	22.3	30.8	13.7	113.3	42.9	36.8	16.4
Core EPS (sen)	4.7	3.6	30.8	2.2	113.3	6.9	5.9	16.4
EBITDA margin (%)	26.4	24.6		30.8		28.0	24.4	
PBT margin (%)	15.2	13.1		12.2		14.2	11.8	
Core net profit margin (%)	10.5	9.7		9.0		10.0	8.2	

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	2QFY26	2QFY25	yoy (%)	1QFY26	qoq (%)	6MFY26	6MFY25	yoy (%)
Revenue								
Property	263.1	218.2	20.6	140.1	87.8	403.2	424.1	(4.9)
Coworking	6.3	7.4	(14.6)	4.7	33.7	11.0	14.0	(21.2)
Other businesses & investments	33.7	28.5	18.2	29.3	15.1	62.9	54.5	15.5
Eliminations	(26.1)	(20.2)	29.5	(21.9)	19.5	(48.0)	(42.2)	13.7
Total	277.0	232.5	19.1	152.2	82.0	429.2	450.4	(4.7)
PBT								
Property	47.1	35.1	34.2	22.6	108.1	69.8	66.1	5.6
Coworking	(0.6)	0.1	nm	(0.8)	(26.7)	(1.4)	(0.4)	267.5
Other businesses & investments	57.4	(12.1)	nm	(15.6)	nm	41.8	(19.4)	nm
Elimination	(61.8)	7.0	nm	12.4	nm	(49.4)	6.3	nm
Total	42.2	30.1	40.4	18.6	127.2	60.8	52.6	15.5
Operating profit margin								
			%-pts		%-pts			%-pts
Property	17.9%	16.1%	1.8%	16.2%	1.7%	17.3%	15.6%	0.0
Coworking	-9.3%	1.6%	-10.9%	-17.0%	7.7%	-12.6%	-2.7%	(0.1)
Other businesses & investments	170.5%	-42.5%	213.1%	-53.4%	224.0%	66.4%	-35.5%	1.0
Elimination	236.4%	-34.5%	270.8%	-56.5%	292.9%	102.9%	-15.0%	1.2
Aggregate Total	15.2%	12.9%	2.3%	12.2%	3.0%	14.2%	11.7%	0.0

Source: Company, Apex Securities

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Financial Highlights

Income Statement

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	1,040.2	946.9	1,092.2	1,396.6	755.5
EBITDA	226.1	141.3	200.5	257.4	291.4
Depreciation & Amortisation	-26.3	-28.3	-27.1	-26.5	-25.2
EBIT	199.8	113.1	173.4	230.9	266.2
Net Finance Income/ (Cost)	-37.1	-47.2	-43.3	-37.3	-30.6
Associates & JV	-5.8	3.3	10.0	15.0	20.0
Pre-tax Profit	156.9	157.0	140.0	208.6	255.6
Tax	-42.0	-35.9	-39.2	-58.4	-71.6
Profit After Tax	114.9	121.1	100.8	150.2	184.0
Minority Interest	0.3	2.3	0.5	0.8	0.9
Net Profit	102.4	118.8	100.3	149.4	183.1
Exceptionals	-17.0	-46.5	0.0	0.0	0.0
Core Net Profit	85.5	72.3	100.3	149.4	183.1

Key Ratios

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	13.7	11.6	16.1	24.0	29.4
P/E (x)	7.4	8.7	6.3	4.2	3.4
P/B (x)	0.4	0.4	0.4	0.4	0.4
EV/EBITDA (x)	6.2	10.7	6.2	3.6	2.6
DPS (sen)	7.5	7.5	7.0	7.0	7.0
Dividend Yield (%)	7.4%	7.4%	6.9%	6.9%	6.9%
EBITDA margin (%)	21.7%	14.9%	18.4%	18.4%	38.6%
EBIT margin (%)	19.2%	11.9%	15.9%	16.5%	35.2%
PBT margin (%)	15.1%	16.6%	12.8%	14.9%	33.8%
PAT margin (%)	11.1%	12.8%	9.2%	10.8%	24.4%
NP margin (%)	9.8%	12.5%	9.2%	10.7%	24.2%
CNP margin (%)	8.2%	7.6%	9.2%	10.7%	24.2%
ROE (%)	5.8%	4.8%	6.6%	9.2%	10.4%
ROA (%)	2.8%	2.2%	3.0%	4.2%	5.1%
Gearing (%)	66.7%	81.2%	75.7%	62.1%	48.2%
Net gearing (%)	52.1%	59.0%	39.9%	17.5%	48.2%

Valuations	FY26F	Valuation methodology
Total RNAV (RM' m)	2,086.4	(Ke: 15%)
Discount Rate	55.0%	
Discounted RNAV (RM' m)	938.9	
No. of shares	622.8	
Fair Value (RM)	1.51	

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash and bank balances	217.0	331.5	543.1	725.8	715.5
Receivables	222.4	317.2	253.3	282.4	323.5
Inventories	327.1	449.9	192.5	203.1	224.7
Other current assets	994.9	716.9	773.4	0.0	0.0
Total Current Assets	1,761.4	1,815.4	1,762.2	1,991.8	2,058.7
Fixed Assets	139.4	153.2	130.1	127.7	126.3
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	1,164.0	1,287.0	1,406.4	1,408.9	1,416.7
Total Non-Current Assets	1,303.5	1,440.2	1,536.5	1,536.6	1,543.0
Short-term debt	353.5	362.0	409.8	360.9	305.6
Payables	520.6	468.6	557.4	820.1	910.9
Other current liabilities	12.7	14.3	12.7	12.7	12.7
Total Current Liabilities	886.8	844.9	979.8	1,193.7	1,229.2
Long-term debt	635.1	851.1	739.6	648.8	546.1
Other non-current liabilities	60.5	64.8	60.5	60.5	60.5
Total Non-Current Liabilities	695.6	916.0	800.1	709.3	606.6
Shareholder's equity	1,481.0	1,493.8	1,516.6	1,622.4	1,762.0
Minority interest	1.4	1.0	2.3	3.0	3.9
Total Equity	1,482.4	1,494.8	1,518.9	1,625.4	1,765.9

Cash Flow

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	156.9	157.0	140.0	208.6	255.6
Depreciation & amortisation	26.3	28.3	27.1	26.5	25.2
Changes in working capital	92.0	106.3	216.0	13.6	13.6
Others	111.2	-95.9	-140.7	124.5	-96.3
Operating cash flow	386.5	195.7	242.4	373.1	198.2
Capex	-11.4	-10.8	-11.5	-11.6	-11.6
Others	-304.9	-206.7	-85.9	4.5	4.7
Investing cash flow	-316.3	-217.5	-97.3	-7.1	-7.0
Dividends paid	-62.3	-28.0	-43.6	-43.6	-43.6
Others	-25.9	182.3	92.0	-139.7	-158.0
Financing cash flow	-88.2	154.3	48.4	-183.3	-201.6
Net cash flow	-18.0	132.5	193.5	182.8	-10.3
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	141.9	123.8	256.4	449.9	632.7
Ending cash & cash equivalent	123.8	256.4	449.9	632.7	622.4
Fixed deposits and overdraft	93.2	75.2	93.2	93.2	93.2
Total cash & deposits	217.0	331.5	543.1	725.8	715.5

Results Note

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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.