



MAG Holdings Berhad

Transition-Year Noise, Fundamentals Intact

MAG Holdings Berhad (MAG) reported a 15MFY25 results that are non-comparable against earlier expectations following its extension to an 18-month financial year ending December 2025. While the additional quarter distorts the reporting cycle, a normalised 3-month run-rate basis shows earnings tracking at 25% of our 12MFY26E forecasts, broadly within expectations. TP of RM0.22 is unchanged, based on 9.5x FY27E PER applied to an EPS of 2.3 sen, which we view as undemanding relative to peers. We reiterate BUY call.

Reporting quarter came within expectations, while not comparable to our earlier 12MFY25 estimates, the 3-month run-rate reported RM9.9m net profit coming in at 25% of our full-year estimate for FY26E. No dividend declared for the quarter.

YoY, 15MFY25 revenue increased 58.9% to RM464.2m (15MFY24: RM292.2m), largely reflecting the longer 15-month reporting period and higher sales volumes. Margins normalised from the elevated base in the prior period. GP margin declined to 21.3% (15MFY24: 26.2%) as the cost-of-sales rose to 78.2% from 73.8%. EBITDA margin softened to 20.1% (26.4%) due to a higher opex margin of 3.6% (15MFY24: 2.6%) and a reduction in other income to 0.8% of revenue (15MFY24: 5.5%). PAT margin eased to 12.3% (13.8%) as finance costs rose to 3.4% of revenue (15MFY24: 3.0%) despite lower depreciation charges. Overall margin performance was broadly in line with our earlier FY26 margin assumptions (GP: 23%, EBIT: 19%, PBT: 14%, PAT: 14%).

QoQ, revenue slipped 8.9% against 4QFY25, reflecting softer trading activity during the quarter. The decline is not unusual when compared against the company's historical quarterly patterns, where revenue movements have ranged between -4% and +9% in past periods for the reporting quarter. Gross profit margin contracted by 6ppts to 15.3%, while the opex margin improved to 2.1% from 6.1% in 4QFY25 due to non-recurring expenses incurred in the preceding quarter. Despite the lower opex ratio, a higher effective tax rate (+3.7ppts QoQ) caused net profit margin to ease to 8.3% from 13.1%.

Outlook. MAG is expected to sustain growth through its core aquaculture and food trading operations, supported by ongoing improvements in farming efficiency and productivity. The adoption of advanced smart-farming technologies should enhance operational consistency and long-term sustainability, while continued marketing efforts and distributor expansion broaden market reach. Although the external environment remains uncertain, MAG's efficiency initiatives and integrated operating model position it to deliver steady financial performance heading into CY26.

Post results, we revise our FY25E topline and earnings higher by 45%/45% to reflect the elongated 18-month financial period, while leaving FY26E/FY27E forecasts unchanged as they represent normalised 12-month operating cycles.

Maintain BUY. We maintain our TP of RM0.22 based on a 9.5x PER applied to FY27E EPS of 2.3 sen. This implies a 15% discount to the peers' trailing PER average of 11.1x. Valuations still undemanding, we reiterate our BUY call.

Results Note

BUY (↔)

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Monday, December 1, 2025

Price: RM 0.17

Target Price: RM 0.22 (↔)

Share Price Performance



Business Overview

MAG Holdings Berhad (MAGH) is an aquaculture-based food producer. The company today is a leading prawn aquaculture player in Malaysia with a strength of 384 cultivation ponds and 2 processing plants. Listed on the ACE Market.

Return Information

KLCI (pts)	1,617.46
YTD KLCI chg.	-1.5%
YTD Stock Price chg.	-10.5%

Price Performance	1M	3M	12M
Absolute (%)	0.0	-2.9	-5.0
Relative to KLCI (%)	0.6	-3.9	-5.0

Stock Information

Market Cap (RM m)	323.4
Issued Shares (m)	1,902.5
52-week High (RM)	0.22
52-week Low (RM)	0.16
Est. Free Float (%)	40%
Beta	0.4
3-month Avg Vol.	2,021,289
Shariah Compliant	No
Bloomberg Ticker	MAG MK EQUITY

Top 3 Shareholders

Shareholder	%
Ng Min Lin	27.0%
Ching-Fu Hsu	4.2%
Megan Mezanin	4.0%

FY Dec (RM m)	FY25E	FY26E	FY27E
Revenue	557.1	358.0	370.6
Gross Profit	118.9	88.8	94.5
EBITDA	112.0	52.3	56.5
EBIT	88.7	70.2	75.1
PBT	69.7	51.6	56.7
Net Profit	68.2	39.2	43.1
Core Net Profit	68.2	34.8	38.7
Consensus Net Profit	-	-	-
<i>Earnings Revision</i>	45%	-	-
Core EPS (sen)	3.6	2.1	2.3
Core EPS Growth (%)	74	(49)	11
Net DPS (sen)	1.0	1.0	1.0
Net Div. Yield (%)	0.5	0.5	0.5
BV Per Share (sen)	45.7	47.9	49.1
P/B (x)	0.4	0.4	0.4
P/E (x)	7.3	8.7	7.9
ROE (%)	7.8	4.3	4.6

Investment Case. We continue to like MAG for several key reasons: **(i)** A leading integrated aquaculture player in Malaysia with ~20% industry revenue share, supported by a fully integrated value chain spanning hatchery, farming, processing and distribution. **(ii)** Strong export footprint, with established access to high-value markets across Asia and robust long-term demand for premium prawn products. **(iii)** Efficiency-led growth supported by smart-farming adoption, high farm utilisation and ongoing productivity improvements across its aquaculture operations. **(iv)** Favourable industry fundamentals, underpinned by tightening biosecurity standards, increasing protein consumption and Malaysia's strategic position as a certified supplier to key regional markets. **(v)** Attractive risk–reward profile for a small-cap aquaculture specialist, backed by improving fundamentals, an increasingly scalable operating model and undemanding valuations relative to peers.

Risks to our recommendation include: (i) Disease Outbreaks, (ii) Environmental Pollution, and (iii) Market and Foreign Currency Fluctuations.

Results Highlights								
Y/E: Dec (RM m)	5Q25	4Q25	QoQ Chg. %	3Q24	YoY Chg. %	15M25	15M24	YoY Chg. %
Key financial highlights								
Revenue	119.5	131.1	-8.9%	65.8	81.7%	464.2	292.2	58.9%
Gross Profit	18.3	27.9	-34.5%	13.0	41.2%	99.1	76.5	29.6%
OPEX	(2.5)	(8.0)	-68.9%	(1.0)	140.4%	(16.7)	(7.6)	118.5%
EBITDA	17.2	27.8	-38.2%	11.7	46.2%	93.3	77.3	20.8%
EBIT	13.2	24.1	-45.1%	8.5	55.7%	73.9	60.6	22.0%
PBT/(LBT)	10.4	17.4	-40.2%	7.6	37.4%	58.1	51.7	12.3%
Taxation	(0.5)	(0.2)	200.6%	(1.1)	-54.5%	(1.2)	(13.0)	-90.8%
Net Profit	9.9	17.2	-42.4%	6.5	52.4%	56.9	38.7	47.0%
PATAMI	9.9	17.2	-42.4%	6.5	52.4%	56.9	40.3	41.0%
Core EPS (sen)	0.5	0.9	-42.4%	0.4	33.6%	3.1	2.5	22.9%
Net DPS (sen)	0.5	0.9	-44.0%	0.4	30.8%	3.1	2.5	22.5%
Margins (%)								
Gross Profit	15.3%	21.3%		19.7%		21.3%	26.2%	
Opex	-2.1%	-6.1%		-1.6%		-3.6%	-2.6%	
EBITDA	14.4%	21.2%		17.8%		20.1%	26.4%	
EBIT	11.1%	18.4%		12.9%		15.9%	20.7%	
PBT	8.7%	13.2%		11.5%		12.5%	17.7%	
PATAMI	8.3%	13.1%		9.9%		12.3%	13.8%	
ETR	-4.6%	-0.9%		-14.0%		-2.1%	-25.2%	

Source: Company, Bursa Malaysia, Mercury Securities

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HOLD	Stock's total return is expected to be within +10% or -10% over the next 12 months (including dividend yield)
SELL	Stock's total return is expected to be -10% or worse over the next 12 months (including dividend yield)

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