



Analysts expect earnings momentum to remain intact this year, supported by resilient domestic demand and a stronger ringgit.

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BY LEE WENG KHUEN

Malaysian corporates ended 2025 on a firm note, bolstered by robust economic growth and domestic demand as well as a resilient ringgit.

The aggregate earnings of the 30-stock FBM KLCI stood at RM13.45 billion in the October-to-December quarter (4Q2025), representing a 17.2% drop from RM16.25 billion a year earlier, primarily because of PPB Bhd (KL-PPB), which incurred a net loss of RM3.19 billion on the back of a whopping impairment of RM4.17 billion on its investment in Singapore-listed Wilmar International Ltd. On a quarterly basis, the earnings of the component stocks declined 21.4% from RM17.12 billion.

Of the 30 companies, more than two-thirds reported results that met or were above consensus estimates (see table).

Broadening the scope to the top 100 Bursa Malaysia-listed companies, 67 reported year-on-year growth in net profit, while 56 saw quarter-on-quarter expansion.

Their 4Q2025 aggregate earnings totalled RM24.86 billion, up 11.7% from RM22.26 billion a year ago, though were marginally lower when compared to RM24.87 billion in 3Q2025.

This positive momentum is poised to carry on in 2026, further underpinning corporate earnings growth, according to research heads. Rakutem Trade Sdn Bhd head of research Kenny Yee projects earnings growth of 7% to 8% for the FBM KLCI component stocks this year, driven by robust macroeconomic conditions and strengthening corporate fundamentals.

Among the index heavyweights, Nestlé (Malaysia) Bhd (KL-NESTLE) emerged as a standout, with its net profit for 4Q2025 surging

threefold to RM125.53 million from RM41.1 million a year earlier, supported by robust sales growth and improved cost efficiencies.

Utility giant Tenaga Nasional Bhd (KL-TENAGA) more than doubled its net profit to RM1.68 billion from RM642.3 million, aided by foreign exchange (forex) gains and lower taxation.

Meanwhile, IOI Corp Bhd (KL-IOICORP) recorded a near fivefold jump in net profit to RM528.5 million from RM111.1 million, bolstered by foreign currency translation gains on borrowings and deposits.

On the flip side, energy-linked counters weighed on the overall performance.

MISC Bhd (KL-MISC) and PETRONAS Chemicals Group Bhd (KL-PCHEM) — both linked to Petrolim Nasional Bhd (PETRONAS) — underperformed.

MISC remained in the red, although with a narrower net loss of RM11.8 million compared with the previous corresponding quarter. PETRONAS Chemicals continued to be in the red for the fourth consecutive quarter, with a higher net loss of RM754 million against RM289 million in the preceding quarter, due to weakness in the olefins and derivatives segment as well as higher unrealised foreign exchange losses.

MBSB Investment Bank head of research Imran Yassin Yusof observes that most companies under the unit's coverage reported earnings that were broadly in line with expectations, with encouraging performances from the construction, consumer, banking and plantation sectors.

However, the oil and gas (O&G) sector and certain industrial subsegments, including PETRONAS Chemicals and PETRONAS Gas Bhd (KL-PETGAS), fell short of market expectations amid a lacklustre energy market, he says.

Looking ahead, Imran is optimistic about earnings growth, citing potential upside risks if

macro conditions remain supportive. "Sectors like construction, consumer, utility, solar and banking are anticipated to outperform," he says.

He adds that the expected corporate earnings growth will be underpinned by Malaysia's strong economic expansion. Last year, the economy grew 5.2%, exceeding the official 4%-4.8% forecast on resilient domestic demand.

However, given the higher base in 2025 and the official gross domestic product forecast of 4%-4.5% for 2026, there could be challenges for certain sectors.

Like Imran, Yee expects the banking, construction, plantation and utility sectors to outperform in 2026, highlighting plantation as a potential "dark horse" amid crude palm oil (CPO) price strength.

"Typically a stronger ringgit coincides with weaker CPO prices. This time, however, CPO prices have held up well, which could present pleasant surprises," he says.

For perspective, a weaker ringgit usually makes CPO more attractive to foreign buyers compared with US dollar-denominated commodities such as soybean oil.

Yee says the utility sector should continue benefiting from the demand linked to hyper-scale data centres.

Given the improved earnings backdrop, Imran is positive about foreign fund flows into Malaysia this year. Year to date, foreign investors have been net buyers of Malaysian equities, with net inflows of RM1.38 billion as at Feb 20, reversing the RM22.32 billion in net outflows recorded in 2025 — the largest since the outflow of RM24.6 billion in 2020.

Yee notes that Malaysia's relatively favourable political and economic environment could attract regional fund allocations. Sustained foreign inflows would help restore liquidity and revive interest in

the mid- and small-cap segments, where trading volumes remain subdued, he says.

"If the ringgit continues to strengthen, it will be a strong catalyst for the local market. Liquidity in the mid- and small-cap space is still thin, so we need more foreign participation to boost market vibrancy," he adds.

Notably, retail participation fell to a record low of 18% in 2025, down from the pandemic-era highs of 36% in 2020 and 37% in 2021. The previous record low was 20% in 2016.

In a Feb 19 note, CIMB Securities says it is maintaining its FBM KLCI target of 1,772 points for 2026, highlighting that exporters like rubber glove and technology players continue to perform despite the stronger ringgit. Last week, the local currency touched an eight-year high of 3.8895 against the US dollar.

Among the beneficiaries of the stronger ringgit were Dayang Enterprise Holdings Bhd (KL-DAYANG), which booked a forex gain of RM700,000 in 4Q2025 compared with a forex loss of RM29.6 million a year earlier. This resulted in the O&G offshore services provider reporting a quarterly net profit of RM36.92 million from RM16.81 million a year earlier.

In contrast, IJM Corp Bhd (KL-IJM) was dragged down by a whopping unrealised forex loss of RM60.8 million during the quarter in review. Its net earnings shrank 86.1% to RM15.76 million, the lowest in three years.

It is worth noting that besides PNB, Daang NeXchange Bhd (KL-DNEX), MSM Malaysia Holdings Bhd (KL-MSM), D&O Green Technologies Bhd (KL-D&O), Genting Bhd (KL-GENTING) and Affin Bank Bhd (KL-AFFIN) also made substantial impairments during the quarter in review.

Let's examine how the various key sectors performed in 4Q2025.

Summary of FBM KLCI constituents' earnings

COMPANY	LATEST QUARTERLY NET PROFIT/ (NET LOSS) (RM MIL)	QUARTERLY NET PROFIT/ (NET LOSS) A YEAR AGO (RM MIL)	Y-Q-Y CHANGE (%)	NET PROFIT/ (NET LOSS) IN THE PRECEDING QUARTER (RM MIL)	Q-Q-Q CHANGE (%)	LATEST EARNINGS VERSUS CONSENSUS ESTIMATES	SHARE PRICE ON FEB 26 (RM)	ONE-YEAR SHARE PRICE CHANGE (%)	TRAILING 12 MONTHS DIVIDEND YIELD (%)	TRAILING 12 MONTHS PER (TIMES)
Tenaga Nasional Bhd	1,675.10	642.30	160.8	876.90	91.0	Above	14.18	8.7	3.6	20.4
Sunway Bhd	502.35	334.33	50.3	338.14	48.6	Above	5.95	29.8	1.2	30.8
RHB Bank Bhd	905.71	834.54	8.5	904.01	0.2	Above	8.30	32.3	5.2	11.0
Nestlé (M) Bhd	125.53	41.10	205.4	114.04	10.1	Above	110.80	27.6	1.8	50.6
Sime Darby Bhd	431.00	305.00	41.3	355.00	21.4	Above	2.39	7.5	5.9	9.4
Malayan Banking Bhd	2,675.66	2,532.23	5.7	2,621.40	2.1	In line	12.00	19.1	5.2	13.8
Public Bank Bhd	1,876.30	1,799.48	4.3	1,842.63	1.8	In line	5.00	15.9	4.3	13.4
CIMB Group Holdings Bhd	1,919.47	1,800.38	6.6	2,077.96	-7.6	In line	8.46	9.3	5.5	11.8
IHH Healthcare Bhd	528.00	732.00	-27.9	616.00	-14.3	In line	9.02	26.4	1.2	34.6
Press Metal Aluminium Holdings Bhd	592.14	449.53	31.7	563.30	5.1	In line	7.60	54.3	1.0	32.0
Hong Leong Bank Bhd	1,168.54	1,148.18	1.8	1,090.98	7.1	In line	23.84	17.6	4.0	11.6
CelcomDigi Bhd	349.59	158.28	120.9	341.23	2.4	In line	3.26	-4.2	4.5	25.3
YTL Power International Bhd	435.56	767.69	-43.3	500.57	-13.0	In line	2.91	-0.4	2.7	10.4
MISC Bhd	-1180	-446.20	Net loss narrowed	541.80	Swung into red	In line	8.12	13.4	4.4	21.3
Gamuda Bhd	215.13	205.39	4.7	332.15	-35.2	In line	4.26	-3.8	2.3	24.9
YTL Corp Bhd	438.03	580.00	-24.5	346.48	26.4	In line	1.92	7.4	2.6	11.8
Maxis Bhd	380.00	321.00	18.4	412.00	-7.8	In line	3.90	17.8	4.4	19.6
IOI Corp Bhd	528.50	111.00	375.7	369.40	43.1	In line	4.01	7.7	2.6	15.8
Axiata Group Bhd	-38.68	-224.77	Net loss narrowed	-27.35	Net loss widened	In line	2.31	15.3	4.3	58.2
Kuala Lumpur Kepong Bhd	382.41	220.46	73.5	95.96	298.5	In line	19.24	-4.6	3.1	21.9
99 Speed Mart Retail Holdings Bhd	157.16	124.42	26.3	160.65	-2.2	In line	3.58	70.1	1.3	49.0
AMMB Holdings Bhd	529.58	486.49	8.9	534.58	-0.9	In line	6.65	24.2	4.9	10.5
Mr DIY Group (M) Bhd	163.85	147.20	11.3	136.12	20.4	In line	1.76	22.0	3.4	26.4
PETRONAS Gas Bhd	363.91	417.03	-12.7	444.23	-18.1	Below	18.44	8.7	3.9	21.1
SD Guthrie Bhd	496.00	772.00	-35.8	935.00	-47.0	Below	5.82	24.9	3.3	16.1
PETRONAS Chemicals Group Bhd	-754.00	519.00	Swung into red	-289.00	Net loss widened	Below	3.16	-15.8	1.9	NA
Telekom Malaysia Bhd	222.49	730.63	-69.5	686.27	-67.6	Below	7.46	13.3	4.2	16.7
PETRONAS Dagangan Bhd	258.88	249.06	3.9	281.25	-8.0	Below	22.28	11.5	5.0	20.1
QL Resources Bhd	120.17	125.97	-4.6	116.23	3.4	Below	4.00	-11.6	1.2	33.4
PPB Group Bhd	-3,188.50	365.20	Swung into red	-199.55	Net loss widened	Below	10.84	0	3.9	18.8
Total	13,448.08	16,249.02	-17.2	17,118.38	-21.4					

Banking
Banking stocks delivered results that were largely in line with expectations, following a strong rally in their share prices in 2025 with the Bursa Malaysia Financial Services Index gaining nearly 30% since the April 2025 low.

Post-record earnings in the last quarter of 2025, with its net profit rising 15.3% to RM215.22 million from a year earlier, as higher income and more than offset higher operating expenses and allowances for credit losses.

Malayan Banking Bhd (KL-MAYBANK), the country's largest bank by asset base, reported a 5.7% increase in net profit to RM2.68 billion, supported by lower provisions and higher net interest income.

Lower provisions also helped lift RHB Bank Bhd's (KL-RHBBANK) net profit. Its net profit expanded 8.5% to RM905.71 million, driven partly by higher non-interest income. On the other hand, AMMB Holdings Bhd's (KL-AMMBANK) net profit was up 8.9% to RM529.58 million, supported by higher net interest income and non-interest income.

segments — turned in resilient results during the quarter in review.

ATE Pentamaster's such as VITrox Corp Bhd (KL-VITROX) and Pentamaster Corp Bhd (KL-PENTA) benefited from the recovery in industry conditions. VITrox's quarterly net profit surged to RM46.18 million — the highest in three years — and it expects further growth arising from the expansion of artificial intelligence infrastructure worldwide.

Pentamaster's net profit for 4Q2025 of RM20.18 million was a two-year high as its ATE segment swung back to profitability, which was bolstered by project cancellation charges and monetisation of previously written-off inventory.

For the OSAT segment, Malayan (M) Bhd (KL-UNISEM) and Unisem (M) Bhd (KL-UNISEM) led the pack with higher sales volumes. MPI, whose net profit for 4Q2025 rose 42.6% to RM57.09 million, saw business recovery in key end markets in Asia, Europe and the US.

Besides better sales, the profitability of Unisem, which reported a sixfold jump in net profit to RM52.13 million in 4Q2025, was also lifted by a one-off gain of RM23.77 million from the dissolution of foreign subsidiaries.

(KL-99SMART) — the prime beneficiary of the government's Sara programme — chalked up a net profit of RM157.16 million in 4Q2025, up from RM124.42 million a year earlier, even though it was lower than the RM160.65 million in the previous quarter.

Mr DIY Group (M) Bhd (KL-MRDIY) has proposed to distribute a dividend that is more than its full-year net profit of RM632.69 million for FY2025, representing a payout of nearly 120%, after reporting an 11.3% rise in its 4Q2025 net profit to RM163.85 million on higher sales and improved margins.

Café chain operator Oriental Kopi Holdings Bhd (KL-KOPI) also posted encouraging earnings, with its net profit jumping 30.2% to RM170.05 million as its revenue surged to a fresh record high of RM139.2 million.

However, among the less-diversified egg producers, Teo Seng Capital Bhd (KL-TEOSEN) saw its net profit nearly halve to RM33.52 million from a year earlier following the removal of the government's egg subsidy.

Construction and property
Robust construction activity continued to underpin the financial performance of industry players.

Conglomerate Sunway Bhd's (KL-SUNWAY) net profit for 4Q2025 jumped 50.3% to RM502.35 million despite an 18.8% drop in revenue to RM2.32 billion. Sunway's 53.2%-owned Sunway

Construction Group Bhd (KL-SUNCON) delivered an even stronger net profit growth of 71.2% to RM118.39 million from RM69.17 million a year earlier as it achieved an all-time-high order book replenishment of RM5.2 billion in 2025.

Meanwhile, Kerjaya Prospek Group Bhd (KL-KERJAYA) saw its net profit surge 53.36% to RM66.73 million, supported by an outstanding order book of RM3.9 billion for construction jobs as at end-2025.

Most pure property development firms delivered flat financial results. Sime Darby Property Bhd's (KL-SIMEPROP) latest quarterly net profit stood at RM88.41 million, up slightly from RM87.56 million a year earlier. Similarly, Mah Sing Group Bhd (KL-MAHSING) posted a mere 2.2% rise in net profit to RM61.8 million.

Plantation
While average crude palm oil (CPO) prices came in lower at RM4,182 a tonne in 4Q2025 compared with RM4,840 a tonne in 4Q2024, some players still managed to post earnings growth. For one, Kuala Lumpur Kepong Bhd's (KL-KLK) net profit surged 73.5% to RM382.41 million, thanks to better palm product sales volumes and lower production costs.

However, HAP Seng Plantations Holdings Bhd (KL-HSPLANT) bore the brunt of the lower CPO prices, with its net profit tumbling 64.31% to RM30.34 million. The group also suffered a loss from fair value adjustments on its biological assets.

Lower CPO prices also weighed on SD Guthrie Bhd's (KL-SDG) financials, leading to a 35.8% decline in net profit to RM496 million for 4Q2025. That said, the group achieved a record net profit of RM2.5 billion for the full year, up 16% from RM2.16 billion in FY2024.

Meanwhile, Genting Plantations Bhd (KL-GENP) incurred a hefty fine of RM96.6 million because its 95%-owned indirect Indonesian subsidiary PT Susantri Permai had been operating in a forest area. As a result, its net profit tumbled 87.4% to RM14.14 million, even though its revenue had risen 20.8% to a record RM1.03 billion. Notably, the group told analysts that it did not expect a further penalty for the affected area.

Healthcare
With Sunway Healthcare Holdings Bhd, the healthcare arm of Sunway Group, set to raise up to RM2.86 billion from its initial public

offering, investors are increasingly focused on the earnings strength of hospital operators. KPI Healthcare Bhd (KL-KPI) did not disappoint, delivering record quarterly net profit and revenue of RM132.9 million and RM1.15 billion respectively in 4Q2025. The strong performance was partly supported by lower tax expenses.

IHH Healthcare Bhd (KL-IHH), however, reported a 22.9% decline in net profit to RM528 million, mainly because of foreign losses on paper as a result of a stronger ringgit.

Meanwhile, glove players showed some improvement in their financial performance amid the ringgit's strength. Despite weaker sales, better production efficiency sent Kossan Rubber Industries Bhd's (KL-KOSSAN) net profit up by nearly 70% to RM46.7 million.

Hartalega Holdings Bhd (KL-HARTA) attributed its earnings expansion of 62% to RM27.7 million in tax credits from the utilisation of unabsorbed capital allowances and business losses brought forward from the previous year and certain tax-exempt income.

