Astute
Fund Management

Portfolio Manager's Views

Why we like MRDIY?

15 May 2026

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1. Executive Summary

1. **Special Feature: Why do we like MR D.I.Y.?** (Refer to pages 3-5)

2. **Global equities rallied in April 2026** despite Middle East tensions. The S&P 500 rose 10.5% to a record high supported by renewed interest in AI-related stocks. The Philadelphia Semiconductor Index surged nearly 40% while strong US earnings saw 84% of companies beat expectations. The Fed kept rates unchanged at 3.5%-3.75% amid sticky inflation and softer labour data. Emerging markets outperformed, led by Taiwan and South Korea, as AI-driven optimism boosted Asian equities. Meanwhile, the DXY weakened 1.9% to 98.1.

3. **The FBMKLCI rose 1.9% in April 2026**, supported by easing geopolitical tensions and renewed foreign buying. Technology and construction outperformed, while GDP growth moderated to 5.3% YoY. We turned more constructive after closing our earlier correction call, supported by improving EM flows, the MY Value-Up programme, and historical post-conflict recovery trends.

4. FBM KLCI valuations remain undemanding, with FY26 PER of 14.4x (10Y range 12.4x–21.7x), PBR of 1.5x (10Y range 1.1x–1.9x), and a forecast DY of 4.4% (10Y range 2.7%–5.3%) [Source: Bloomberg]. We are net buyers on weakness and look to deploy capital opportunistically.

Feature: MRDIY

Exhibit 1: Store Network as at 30 September 2025 (Q3FY25)

Source: MRDIY

1 MRDIY has a strong brand recognition with an aggressive store expansion post IPO

MRDIY now has exposure all over Malaysia. On average, MRDIY stores exist every 2km to 5km. It is the typical go-to place to buy consumer goods.
Notably, its market share has grown from **~29% at listing in 2020 to over 40% today.**

Exhibit 2: Region population relative to Number of stores.

Region	Population (2025) Million	Number of stores	Population/number of stores
Central	**9.31**	431	21,601
South	**5.94**	381	15,591
North	**6.82**	346	19,711
East Coast	**5.13**	194	26,443
East Malaysia	**7.01**	179	39,162
Brunei	**0.47**	10	47,000
Average	**34.68**	1,541	22,505

Source: MRDIY, Astute Fund Management Berhad

2 Underpenetrated regions present further expansion opportunities

In both the East Coast and East Malaysia, MRDIY stores currently serve populations of over 26,000 and 39,000 per store, respectively. This is well above the national average of approximately 22,000 people per store. It indicates meaningful room for store expansion.

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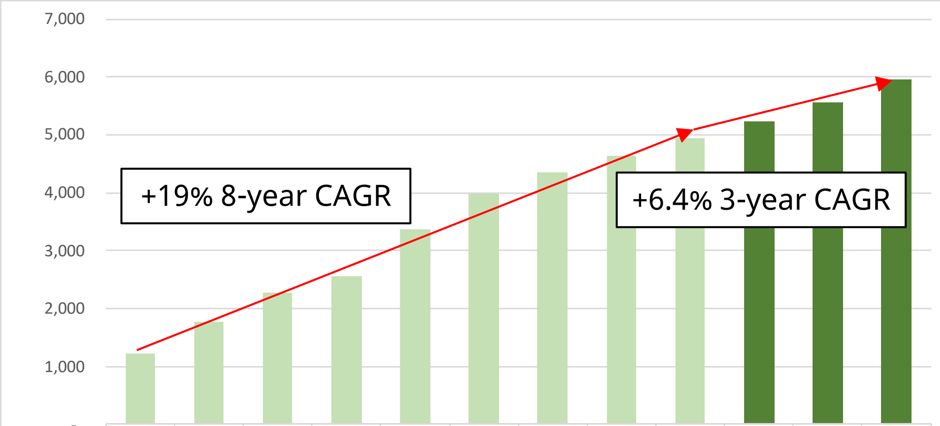
Exhibit 3: Revenue (FY17 – FY28F)



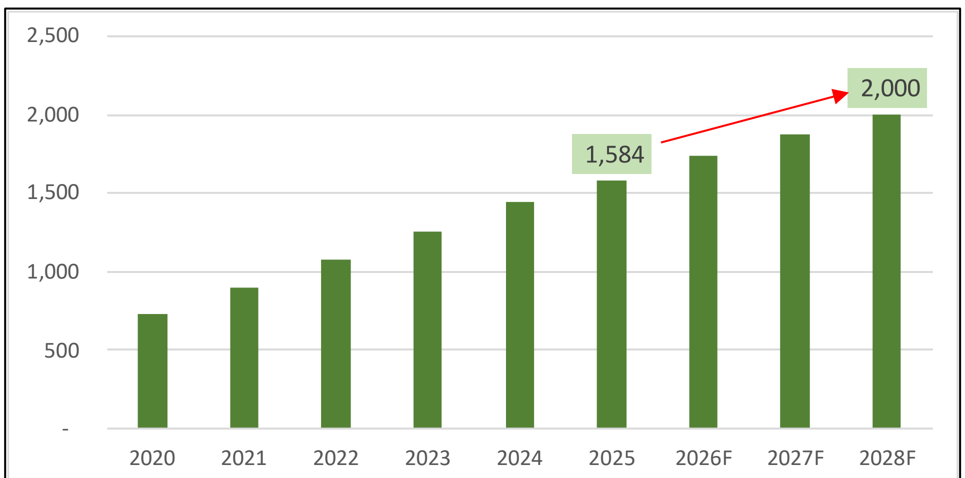
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F	2028F
Series1	1,229	1,771	2,276	2,559	3,373	3,986	4,359	4,651	4,954	5,229	5,564	5,966

Source: MRDIY, Astute Fund Management Berhad

3 **We expect MRDIY revenue to grow at a 6.4% 3-year CAGR from 2025 - 2028**

MRDIY revenue has recorded a strong 19% 8-year CAGR since FY2017 following an aggressive store expansion.

Exhibit 4: Total number of stores vs Revenue per store growth



Source: MRDIY, Astute Fund Management Berhad

4 **Stores’ expansion to drive revenue growth**

New stores are deliberately being opened in lower-density regions to build long-term market share. As a result, average revenue per store will moderate. However, we believe this is by design, not a sign of demand weakness.

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Exhibit 5: CNY/MYR vs MRDIY Gross Margin (%)

Source: Bloomberg @ 11.5.2026

5 MYR strengthening against RMB will support MRDIY’s gross margin expansion

MRDIY imports approximately 70% of its products from China. Hence, a stronger Ringgit against the RMB improves margins through lower procurement costs. Since 2024, the Ringgit has strengthened against the Chinese Yuan, supporting profitability.

Exhibit 6: MRDIY’s 12-month forward Price-to-Earnings (P/E) Chart

Source: Bloomberg (IMF data) @ 20.4.2026

6 MRDIY’s share price valuation has fallen below its 5-year average of 26.4x

MRDIY is a high-quality business benefiting from Malaysia’s growing consumer market, a favourable currency environment, and ongoing store expansion. We believe the current valuation of 22.9x PE does not fully reflect these fundamentals.

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Appendices

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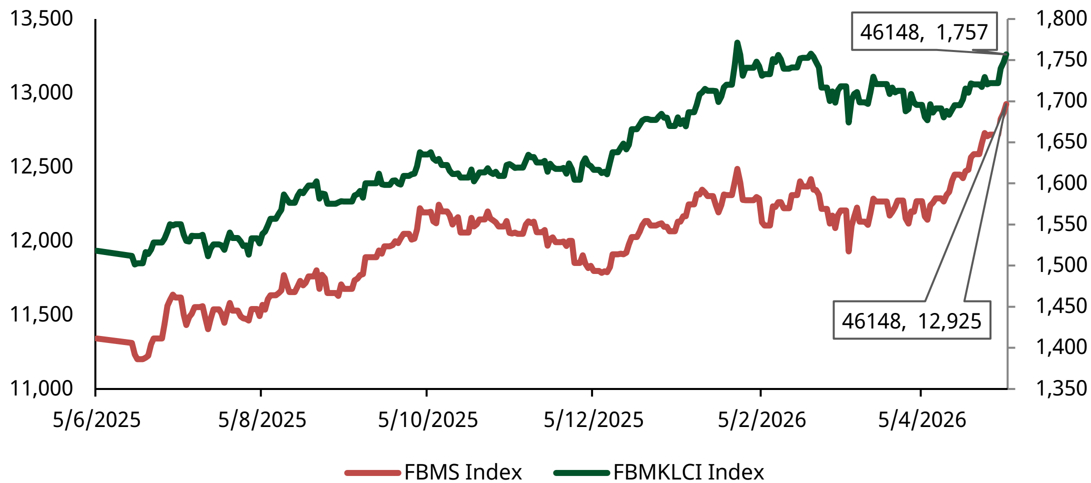
Appendices

Exhibit 7: KLCI & Shariah Index



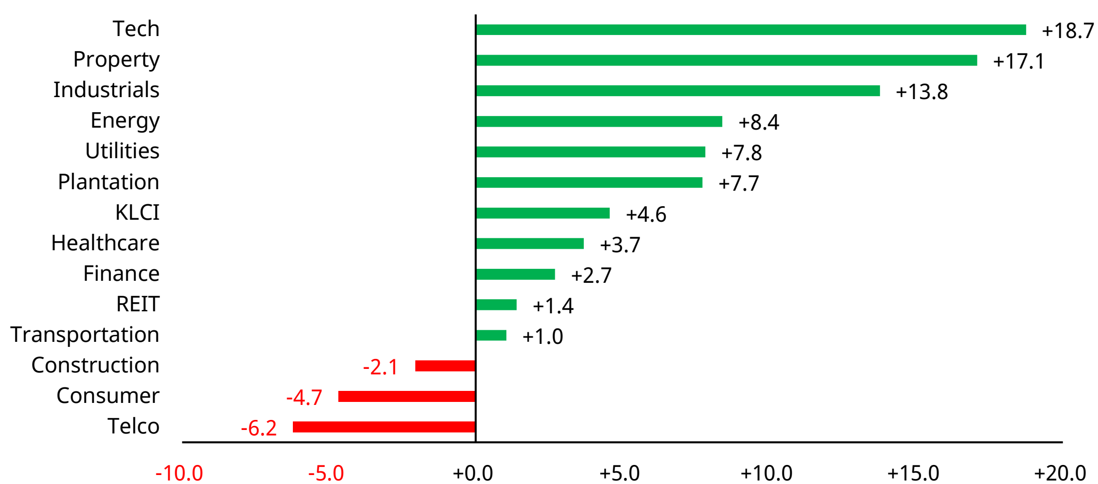
Source: Bloomberg

1

KLCI rebounded in April as sentiment recovers on stronger Tech stocks performance.

Both FBMKLCI and FBMS recovers in April 2026. Sentiment has recover as AI-related tech stock has shown stronger share price performance.

Exhibit 8: Sector Performances 2026 (%)



Source: Bloomberg

2

Sector Performance YTD-26 – Tech Leads, Telco Lags

Tech (+18.7%) and Property (+17.1%) were top performers YTD-26, while Telco (-6.2%) has underperformed the market.

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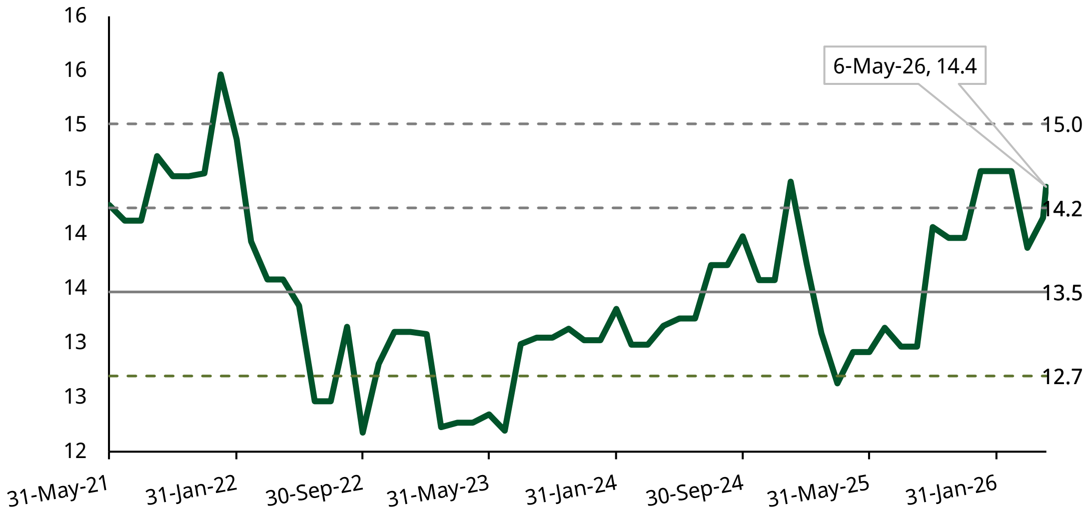
Exhibit 9: KLCI's FY26 PER (x)

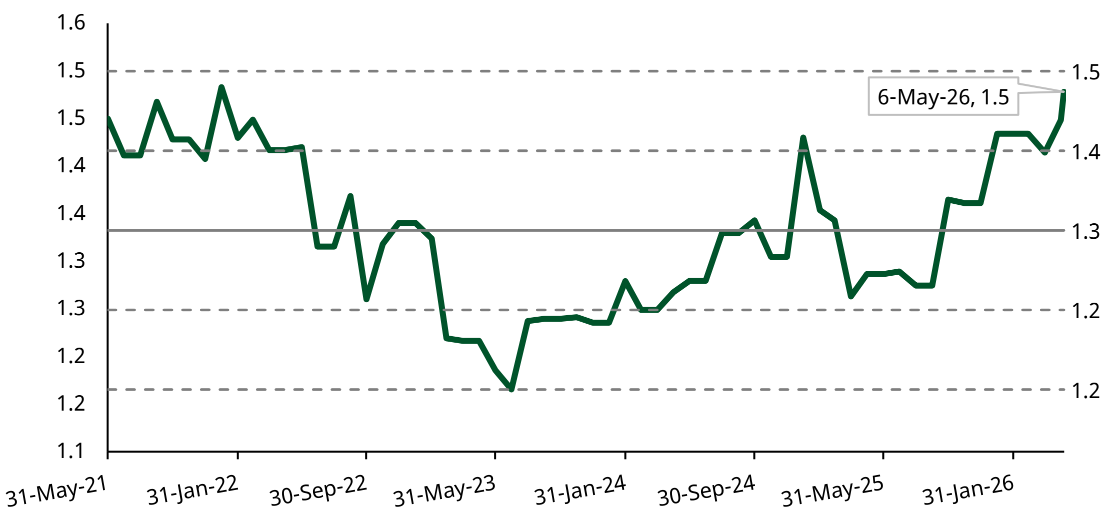


Source: Bloomberg

3 **The KLCI's valuation is valued above the 5-year mean.**

The KLCI trades at a FY26 PER of 14.4x (5Y range 12.2x to 15.5x, 5Y mean of 13.5x).

Exhibit 10: KLCI's FY26 PBR (x)



Source: Bloomberg

4 **This is the same for KLCI's PBR.**

The KLCI trades at a FY26 PBR of 1.5x (5Y range 1.2x to 1.5x, 5Y mean 1.3x).

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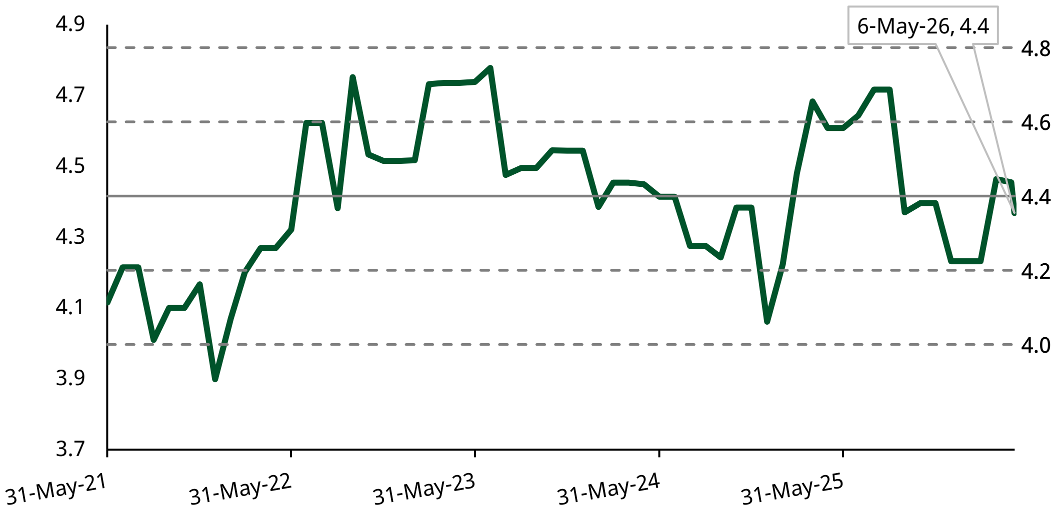
Exhibit 11: KLCI's FY26 DY (%)

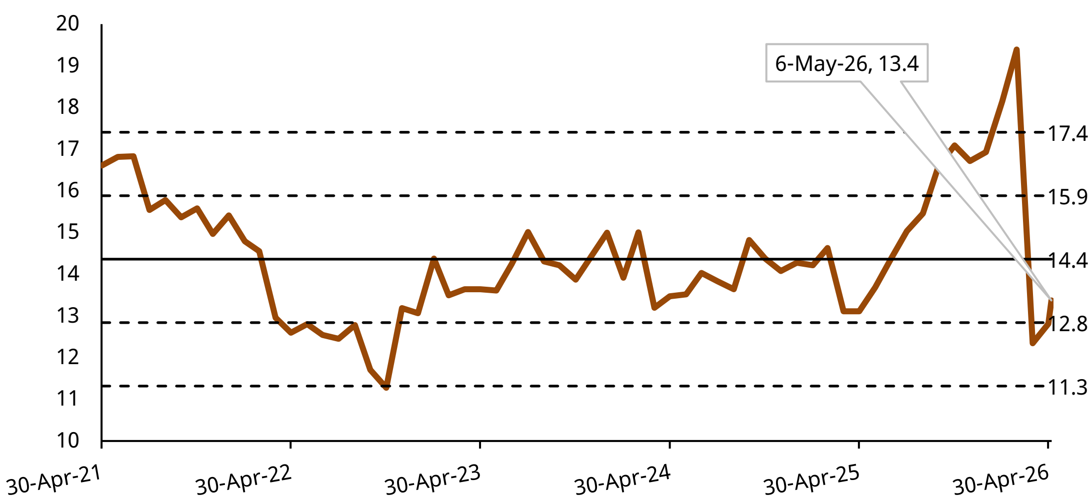


Source: Bloomberg

5 The KLCI dividend yield is attractive.

The KLCI trades at a FY26 DY of 4.4% (5Y range 3.9% to 4.8%, mean of 4.4%). The appealing dividend yield is likely to support share prices.

Exhibit 12: MSCI AxJ Index's FY26 PER (x)



Source: Bloomberg

6 Asia ex Japan has corrected below historical averages.

The MSCI AC Asia ex Japan index trades at a FY26 PE of 13.4x (5Y range 11.3x to 19.4x, mean of 14.4x) amid the ongoing Middle East war.

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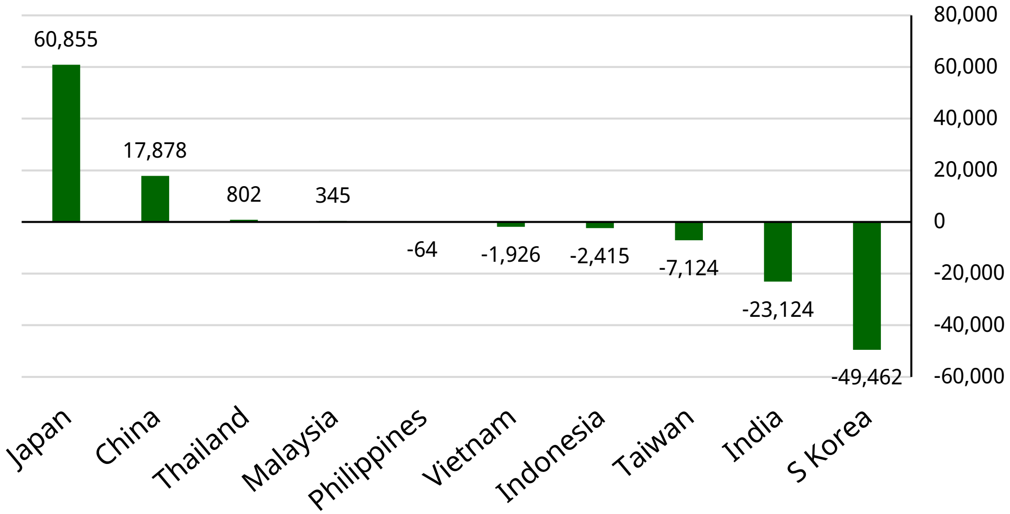
Exhibit 13: Selected ASEAN Markets (Net USD mil)



Source: Bloomberg, data as of 14 May 2026. China's data as of 31 March 2026.

7 **Inflows were the highest in China and Japan.**

Overseas investors turned net sellers in most Asian countries focusing mainly in South Korea (US$49.5b), while inflows persisted in Japan, China, Thailand, and Malaysia.

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