

HLIB Research

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Daniel Wong
kkwong@hlib.hongleong.com.my

(603) 2083 1720

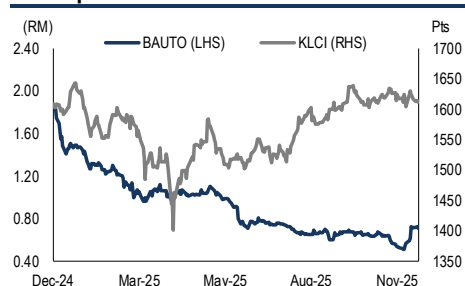
SELL (maintain)

Target Price: **RM0.54**
Previously: **RM0.54**
Current Price: **RM0.705**

Capital upside	-23.4%
Dividend yield	5.7%
Expected total return	-17.7%

Sector coverage: Automotive

Company description: Bermaz Auto is involved in distribution, assembly, retailing and after sales service of Mazda and Xpeng vehicles in Malaysia and distribution of Mazda in the Philippines. Bermaz Auto is also involved in export of locally assembled Mazda and Kia vehicles.

Share price


Historical return (%)	1M	3M	12M
Absolute	0.0	-28.6	-70.4
Relative	-1.2	-31.2	-69.4

Stock information

Bloomberg ticker	BAUTO MK
Bursa code	5248
Issued shares (m)	1,140
Market capitalisation (RM m)	803
3-mth average volume ('000)	6,143
SC Shariah compliant	Yes
F4GBM Index member	Yes
ESG rating	★★★★

Major shareholders

Dynamic Milestone	16.1%
Permodalan Nasional Berhad	12.1%
Lembaga Tabung Haji	6.9%

Earnings summary

FYE (Apr)	FY25	FY26f	FY27f
PATMI - core (RM m)	154	57	86
EPS - core (sen)	13.3	4.9	7.4
P/E (x)	5.3	14.2	9.5

Bermaz Auto

Improved 2QFY26 on new launches

Reported core PATMI of RM15.8m for 2QFY26 (+78.4% QoQ; -61.5% YoY) and RM24.6m for 1HFY26 (-77.7% YoY). The results were within our expectation (42.8%), but below consensus (35.7%). Declared second interim dividend of 1.25 sen/share. Maintain SELL recommendation with an unchanged TP of RM0.54 based on 8x CY26 P/E. We 2HFY26 to be mainly sustained by the new launches and appreciation of RM. BAUTO has a net cash of RM237.5m (20.7 sen/share), supporting a decent dividend yield of 5.7%.

Within expectation. Reported 2QFY26 core PATMI of RM15.8m (+78.4% QoQ, -61.5% YoY) and 1HFY26 of RM24.6m (-77.7% YoY). We deem the result within our expectation, vs our FY26 forecast of RM57.5m (42.8%), but below consensus' RM68.9m (35.7%). 2HFY26 performance will be driven mainly by new model launches and appreciation of RM. The group recorded net EIs of +RM0.9m during 1HFY26, mainly on forex gain and asset disposal gain, partially offset by impairments and derivative losses.

Dividend. Declared a second interim dividend of 1.25 sen/share (ex-date: 22 Jan 2026). YTD dividends declared amounted to 2.0 sen/share.

QoQ. Core PATMI improved +78.4%, to RM15.8m, driven mainly by higher Mazda Malaysia sales volume (+43.3%) post new launches of Mazda 3 1.5l new variant, CX-60 new model and CX-80 new model during the quarter.

YoY & YTD. Core PATMI fell -61.5% YoY and -77.7% YTD (to RM24.6m), dragged mainly by the lower total sales volume (for both Malaysia and Philippines markets) along with lower margins, as well as lower associates contribution YTD.

Outlook. The operational landscape in Malaysia is expected to remain competitive, given the entrance of Chinese OEMs with attractive price points. Nevertheless, BAUTO's newly launched Mazda models have gained renewed market interest, resulting to improved sales volume QoQ. BAUTO has also entered into agreement to discontinue the exclusive distributorship of Kia models in Malaysia, following the restructuring of Kia Corp to assume the role. Similarly, its Philippines operation has seen continuous competitive pressure mainly affected by aggressive approach from Chinese OEMs.

Forecast. Unchanged.

Maintain SELL, TP: RM0.54. We maintain SELL recommendation on BAUTO with an unchanged TP of RM0.54 based on P/E of 8x to CY26's 6.7 sen. While its balance sheet position remains healthy (with net cash of RM237.5m or 20.7 sen/share as at end 2QFY26), earnings prospects remain weak given the challenging operating landscape in Malaysia and Philippines.

Financial Forecast

All items in (RM m) unless otherwise stated

Balance Sheet

FYE Apr	FY24	FY25	FY26f	FY27f	FY28f
Cash	365	434	436	456	466
Receivables	224	206	205	213	227
Inventories	687	501	513	532	568
PPE	48	46	49	52	54
Others	564	501	473	449	431
Assets	1,887	1,688	1,676	1,703	1,747
Payables	381	226	242	248	263
Debt	63	226	276	276	276
Others	535	504	497	490	484
Liabilities	979	955	1,014	1,014	1,022
Shareholder's equity	816	642	566	588	619
Minority interest	93	91	95	100	106
Equity	909	733	662	689	725

Cash Flow Statement

FYE Apr	FY24	FY25	FY26f	FY27f	FY28f
EBITDA	464	240	144	181	209
Net Interest	3	(3)	(7)	(10)	(11)
Taxation	(129)	(75)	(27)	(35)	(42)
Working Capital	(155)	29	6	(21)	(35)
Others	26	36	5	5	5
CFO	209	227	120	119	126
Capex	(14)	(10)	(15)	(15)	(15)
Others	(11)	70	0	0	0
CFI	(26)	60	(15)	(15)	(15)
Changes in debt	(37)	163	50	0	0
Shares issued	(2)	(6)	0	0	0
Dividends	(298)	(345)	(134)	(64)	(81)
Others	(21)	(27)	(19)	(19)	(19)
CFF	(358)	(215)	(103)	(83)	(101)
Net cash flow	(174)	72	2	20	10
Forex	1	(3)	0	0	0
Others	0	0	(0)	0	(0)
Beginning cash	538	365	434	436	456
Ending cash	365	434	436	456	466

Income Statement

FYE Apr	FY24	FY25	FY26f	FY27f	FY28f
Revenue	3,911	2,622	2,563	2,660	2,841
EBITDA	464	240	144	181	209
EBIT	437	213	117	152	180
Net interest	3	(3)	(7)	(10)	(11)
Associates & JV	45	12	(20)	(15)	(10)
Profit before tax	485	222	90	127	160
Tax	(111)	(56)	(27)	(35)	(42)
Net profit	373	166	62	91	117
Minority interest	(27)	(12)	(5)	(5)	(5)
Core PATMI	346	154	57	86	112
Exceptionals	(1)	(1)	0	0	0
Reported PATMI	346	154	57	86	112
Consensus core PATMI			69	93	106
HLIB/ Consensus (%)			83%	92%	105%

Valuation & Ratios

FYE Apr	FY24	FY25	FY26f	FY27f	FY28f
Reported EPS (sen)	29.6	13.2	4.9	7.4	9.6
Core EPS (sen)	29.7	13.3	4.9	7.4	9.6
P/E (x)	2.4	5.3	14.2	9.5	7.3
DPS (sen)	26.0	16.8	4.0	6.0	7.5
Dividend yield (%)	36.9%	23.8%	5.7%	8.5%	10.6%
BVPS (RM)	0.70	0.55	0.49	0.51	0.53
P/B (x)	1.0	1.3	1.4	1.4	1.3
EBITDA margin	11.9%	9.2%	5.6%	6.8%	7.4%
EBIT margin	11.2%	8.1%	4.5%	5.7%	6.3%
PBT margin	12.4%	8.5%	3.5%	4.8%	5.6%
Net margin	8.9%	5.9%	2.2%	3.2%	3.9%
ROE (%)	43.8%	21.2%	9.5%	14.9%	18.5%
ROA (%)	18.9%	8.6%	3.4%	5.1%	6.5%
Net gearing (%)	N.Cash	N.Cash	N.Cash	N.Cash	N.Cash
N.Cash/share (sen)	25.9	17.9	13.8	15.6	16.4

Assumptions

FYE Apr	FY24	FY25	FY26f	FY27f	FY28f
Sales volume					
Mazda Msia	18,394	11,468	9,155	9,725	10,425
Kia Msia	1,851	951	1,000	1,000	1,200
Xpeng Msia		824	1,600	1,600	1,600
Deepal Msia			500	1,000	1,000
Peugeot Msia	947	444	0	0	0
Mazda Php	2,583	1,779	2,005	2,105	2,205

Figure #1 Quarterly results comparison

FYE Apr (RMm)	2QFY25	1QFY26	2QFY26	QoQ (%)	YoY (%)	6MFY25	6MFY26	YoY (%)
Revenue	646.9	491.3	556.5	13.3%	-14.0%	1,493.0	1,047.7	-29.8%
EBITDA	62.3	35.9	39.7	10.6%	-36.2%	155.1	75.6	-51.2%
Core EBIT	55.5	29.4	33.7	14.9%	-39.2%	142.1	63.1	-55.6%
Interest Expense	(2.5)	(1.9)	(1.7)	-9.8%	-31.9%	(3.6)	(3.5)	-0.9%
Interest on Lease Liability	(1.2)	(1.0)	(1.0)	-5.3%	-17.5%	(2.3)	(2.0)	-12.0%
Interest and Investment Income	2.3	2.3	2.5	7.3%	7.4%	4.3	4.8	13.6%
Associates:								
MMSB	3.1	(0.2)	0.9	N.M.	-70.1%	8.9	0.7	-92.1%
Inokom	1.3	(5.7)	0.4	N.M.	-70.2%	5.1	(5.3)	N.M.
KMSB	(0.6)	(3.2)	(7.8)			0.8	(11.0)	
Others	(0.3)	(0.2)	(0.1)			(0.6)	(0.3)	
Core PBT	57.6	19.5	27.0	38.3%	-53.2%	154.6	46.4	-70.0%
Exceptionals	(0.6)	(0.6)	1.4			0.1	0.9	
Reported PBT	57.0	18.9	28.4	49.9%	-50.2%	154.7	47.3	-69.4%
Tax	(14.3)	(8.3)	(10.1)	21.3%	-29.4%	(36.7)	(18.5)	-49.7%
MI	(2.3)	(2.3)	(1.1)	-53.9%	-52.8%	(7.4)	(3.4)	-54.4%
Reported PATAMI	40.3	8.3	17.2	107.7%	-57.4%	110.6	25.5	-77.0%
Core PATAMI	41.0	8.8	15.8	78.4%	-61.5%	110.5	24.6	-77.7%
Reported EPS (Sen)	3.5	0.7	1.5	110.0%	-56.5%	9.5	2.2	-76.5%
Core EPS (Sen)	3.5	0.8	1.4	80.4%	-60.8%	9.5	2.1	-77.3%
				<u>%-pts</u>	<u>%-pts</u>			<u>%-pts</u>
EBITDA Margin (%)	9.6%	7.3%	7.1%	(0.2)	(2.5)	10.4%	7.2%	(3.2)
Core EBIT Margin (%)	8.6%	6.0%	6.1%	0.1	(2.5)	9.5%	6.0%	(3.5)
Core PATAMI Margin (%)	6.3%	1.8%	2.8%	1.0	(3.5)	7.4%	2.3%	(5.1)






Bursa, HLIB Research

Figure #2 Quarterly result breakdown

FYE Apr (RM m)	2QFY25	1QFY26	2QFY26	QoQ (%)	YoY (%)	6MFY25	6MFY26	YoY (%)
Revenue								
Malaysia	581.7	425.0	506.9	19.3%	-12.8%	1,336.6	932.0	-30.3%
Philippines	65.2	66.2	49.5	-25.2%	-24.0%	156.4	115.8	-26.0%
Total	646.9	491.3	556.5	13.3%	-14.0%	1,493.0	1,047.7	-29.8%
EBIT								
Malaysia	46.4	22.1	33.0	49.2%	-28.9%	115.7	55.0	-52.4%
Philippines	9.3	7.2	3.2	-56.3%	-65.9%	27.6	10.4	-62.5%
Others	(0.8)	(0.5)	(0.9)			(1.2)	(1.4)	
Total	54.9	28.8	35.2	22.1%	-35.9%	142.2	64.0	-55.0%
Core EBIT	55.5	29.4	33.7	14.9%	-39.2%	142.1	63.1	-55.6%

Bursa, HLIB Research

Figure #3 Model line up for Mazda in 2025-26

	2025	<div><div><div>CX-5 MS LE (Jan 25')</div></div><div><div>New CX-60 (Aug '25)</div></div><div><div>New CX-80 PHEV (Aug '25)</div></div></div>
	2026	<div><div>New CX-5 CBU (July '26)</div></div>

Company

Figure #4 Model line up for XPeng in 2025-26

	<div><div>All-New G6 CBU (Aug 24')</div></div> <div><div>All-New X9 FL (May 26')</div></div>
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Company

Figure #5 Quarterly sales breakdown

Malaysia Sales Statistics	2QFY25	1QFY26	2QFY26	QoQ (%)	YoY (%)	6MFY25	6MFY26	QoQ (%)
<u>Mazda CBU</u>								
Mazda 2	53	6	4	-33.3%	-92.5%	86	10	-88.4%
Mazda 3	255	100	473	373.0%	85.5%	594	573	-3.5%
Mazda 6	15	5	4	-20.0%	-73.3%	25	9	-64.0%
CX-3	66	31	10	-67.7%	-84.8%	307	41	-86.6%
CX-60	0	0	472	N.M.	N.M.	0	472	N.M.
CX-80	0	0	10	N.M.	N.M.	0	10	N.M.
CX-9	7	1	2	100.0%	-71.4%	14	3	-78.6%
MX-5	4	4	7	75.0%	75.0%	9	11	22.2%
Biante	0	0	0	N.M.	N.M.	1	0	N.M.
BT-50	0	4	1	-75.0%	N.M.	25	5	-80.0%
Subtotal	400	151	983	551.0%	145.8%	1,061	1,134	6.9%
<u>Mazda CKD</u>								
CX-30	1,019	573	607	5.9%	-40.4%	2,159	1,180	-45.3%
CX-5	1,270	684	473	-30.8%	-62.8%	2,968	1,157	-61.0%
CX-8	318	185	219	18.4%	-31.1%	671	404	-39.8%
Subtotal	2,607	1,442	1,299	-9.9%	-50.2%	5,798	2,741	-52.7%
Total Mazda Malaysia	3,007	1,593	2,282	43.3%	-24.1%	6,859	3,875	-43.5%
<u>Peugeot CKD</u>								
2008	5	0	0	N.M.	N.M.	105	0	N.M.
3008	6	0	0	N.M.	N.M.	314	0	N.M.
5008	2	0	0	N.M.	N.M.	15	0	N.M.
Landtrek	0	0	0	N.M.	N.M.	8	0	N.M.
Total Peugeot Malaysia	13	0	0	N.M.	N.M.	442	0	N.M.
<u>KIA</u>								
Carnival (CKD)	160	117	75	-35.9%	-53.1%	392	192	-51.0%
Sorento (CKD)	0	3	6	100.0%	N.M.	22	9	-59.1%
Kia Sportage (CKD)	0	72	39	-45.8%	N.M.	0	111	N.M.
EV6	2	2	0	N.M.	N.M.	2	2	0.0%
EV9	16	1	0	N.M.	N.M.	36	1	-97.2%
Total KIA Malaysia	178	195	120	-38.5%	-32.6%	452	315	-30.3%
<u>XPeng</u>								
G6 (CBU)	156	128	212	65.6%	35.9%	156	340	117.9%
X9 (CBU)	0	258	152	-41.1%	N.M.	0	410	N.M.
Total XPeng Malaysia	156	386	364	-5.7%	133.3%	156	750	380.8%
Total Malaysia	3,354	2,174	2,766	27.2%	-17.5%	7,909	4,940	-37.5%
<i>Bermaz Auto</i>								

Figure #6 **Quarterly sales breakdown**

Philippines Sales Statistics	2QFY25	1QFY26	2QFY26	QoQ (%)	YoY (%)	6MFY25	6MFY26	QoQ (%)
Mazda 2	14	0	8	N.M.	-42.9%	20	8	-60.0%
Mazda 3	94	53	53	0.0%	-43.6%	133	106	-20.3%
Mazda 6	6	1	2	100.0%	-66.7%	12	3	-75.0%
CX-3	1	0	0	N.M.	-100.0%	7	0	-100.0%
CX-30	17	11	13	18.2%	-23.5%	26	24	-7.7%
CX-5	59	37	25	-32.4%	-57.6%	138	62	-55.1%
CX-60	72	88	49	-44.3%	-31.9%	241	137	-43.2%
CX-7	81	45	53	17.8%	-34.6%	153	98	-35.9%
CX-9	37	0	0	N.M.	-100.0%	66	0	-100.0%
CX-90	39	36	31	-13.9%	-20.5%	125	67	-46.4%
MX-5	27	65	53	-18.5%	96.3%	57	118	107.0%
BT-50	14	128	63	-50.8%	350.0%	45	191	324.4%
Total Mazda Philippines	461	464	350	-24.6%	-24.1%	1,023	814	-20.4%
Total Group Sales	3,815	2,638	3,116	18.1%	-18.3%	8,932	5,754	-35.6%

Bermaz Auto

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Hong Leong Investment Bank Berhad (10209-W)

Level 28, Menara Hong Leong,

No. 6, Jalan Damanlela,

Bukit Damansara,

50490 Kuala Lumpur

Tel: (603) 2083 1800

Fax: (603) 2083 1766

Stock rating guide

BUY	Expected absolute return of +10% or more over the next 12 months.
HOLD	Expected absolute return of -10% to +10% over the next 12 months.
SELL	Expected absolute return of -10% or less over the next 12 months.
UNDER REVIEW	Rating on the stock is temporarily under review which may or may not result in a change from the previous rating.
NOT RATED	Stock is not or no longer within regular coverage.

Sector rating guide

OVERWEIGHT	Sector expected to outperform the market over the next 12 months.
NEUTRAL	Sector expected to perform in-line with the market over the next 12 months.
UNDERWEIGHT	Sector expected to underperform the market over the next 12 months.

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