

HLIB Research

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HOLD (Maintain)

Target Price:	RM1.05
Previously:	RM1.80
Current Price:	RM1.04

Capital upside	1.3%
Dividend yield	9.6%
Expected total return	10.9%

Sector coverage: Automotive

Company description: Bermaz Auto is involved in distribution, assembly, retailing and after sales service of Mazda, Kia 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	-18.1	-47.0	-55.2
Relative	-12.2	-42.6	-53.6

Stock information

Bloomberg ticker	BAUTO MK
Bursa code	5248
Issued shares (m)	1,162
Market capitalisation (RM m)	1,209
3-mth average volume ('000)	5,359
SC Shariah compliant	Yes
F4GBM Index member	Yes
ESG rating	★★★★

Major shareholders

Dynamic Milestone	15.2%
Employees Provident Fund	13.3%
Permodalan Nasional Berhad	13.0%

Earnings summary

FYE (Apr)	FY24	FY25f	FY26f
PATMI - core (RM m)	346	163	145
EPS - core (sen)	29.7	13.9	12.4
P/E (x)	3.5	7.5	8.4

Bermaz Auto

Fell short of expectations

Reported core PATMI of RM24.5m for 3QFY25 (-40.2% QoQ; -64.5% YoY) and RM135.0m for 9MFY25 (-48.3% YoY). The results were below both our (70.5%) and consensus (54.2%) expectations. Declared a third interim dividend of 1.75 sen/share. Maintain HOLD with a lower TP of RM1.05 (from RM1.80) based on 8x CY25 P/E, post earnings adjustment of -15.1% to -36.9% for FY25-27 due to lower sales volume assumption and margins. Nevertheless, BA Auto still has a net cash pile of RM244.7m (20.9 sen/share).

Below expectations. Reported 3QFY25 core PATMI of RM24.5m (-40.2% QoQ, -64.5% YoY) and 9MFY25 of RM135.0m (-48.3% YoY). We deem the result below expectations, vs our FY25 forecast of RM191.5m (70.5%) and consensus' RM249.0m (54.2%), affected by worsening car sales volume and margins. The group recorded net EIs of -RM0.3m during 9MFY25, mainly affected by forex losses and impairments, partially offset by derivative gain.

Dividend. Declared a third interim dividend of 1.75 sen/share (ex-date: 21 Apr 2025). YTD dividends declared amounted to 15.25 sen/share (including the announced 7 sen/share special dividend in 2QFY25).

QoQ/YoY/YTD. Core PATMI fell -40.2% QoQ/-64.5% YoY to RM24.5m and -48.3% YTD to RM135.0m, mainly dragged by the lower total sales volume (for both Malaysia and Philippines markets) along with lower margins, as well as lower associates contribution.

Outlook. The inclusion of new Xpeng G6 has failed to lift up the group performance despite full quarter contribution, while Mazda and Kia sales continued to deteriorate. The operational landscape in Malaysia is expected to remain competitive, given the entrance of Chinese OEMs with attractive price points. Similarly, its Philippines operation has seen a reversal in recent quarter mainly affected by increasing competition from Chinese OEMs. On the brighter side, the recent launch of Xpeng X9, along with upcoming new model launches by Mazda (CX60 and CX90) and Deepal (S07, S05 and E07) may cushion the group's bottomline in coming quarters.

Forecast. We have adjusted FY25 by -15.1%, FY26 earnings by -36.9% and FY27 by -21.9% respectively, on lower sales volume and margins.

Maintain HOLD, TP: RM1.05. We maintain our HOLD recommendation on BA Auto with a lower TP: RM1.05 (from TP of RM1.80), based on lowered PE 8x (from 10x) on CY25 earnings, post earnings adjustment as well as weaker market sentiment on the automotive sector. Nevertheless, BA Auto still has a healthy balance sheet position with net cash of RM244.7m (20.9 sen/share) as of end 3QFY25, to sustain its dividend payout.

Financial Forecast

All items in (RM m) unless otherwise stated

Balance Sheet

FYE Apr	FY23	FY24	FY25f	FY26f	FY27f	Income Statement					
						FYE Apr	FY23	FY24	FY25f	FY26f	FY27f
Cash	538	365	486	461	465	Revenue	3,541	3,911	2,481	2,265	2,599
Receivables	208	224	149	136	156	EBITDA	401	464	245	220	274
Inventories	504	687	372	340	390	EBIT	378	437	217	191	244
PPE	45	48	53	57	60	Net interest	5	3	(3)	(3)	(4)
Others	494	564	573	583	598	Associates & JV	41	45	18	20	25
Assets	1,788	1,887	1,632	1,577	1,669	Profit before tax	424	485	233	208	265
Payables	360	381	224	205	233	Tax	(94)	(111)	(58)	(51)	(65)
Debt	100	63	113	113	113	Net profit	330	373	175	157	200
Others	487	535	528	521	513	Minority interest	(23)	(27)	(12)	(12)	(17)
Liabilities	947	979	864	838	859	Core PATMI	307	346	163	145	183
Shareholder's equity	765	816	663	621	676	Exceptionals	(1)	(1)	0	0	0
Minority interest	77	93	105	118	135	Reported PATMI	306	346	163	145	183
Equity	841	909	768	739	811	Consensus core PATMI			226	249	261
						HLIB/ Consensus (%)			72%	58%	70%

Cash Flow Statement

FYE Apr	FY23	FY24	FY25f	FY26f	FY27f	Valuation & Ratios					
						FYE Apr	FY23	FY24	FY25f	FY26f	FY27f
EBITDA	401	464	245	220	274	Reported EPS (sen)	26.2	29.6	13.9	12.4	15.7
Net Interest	5	3	(3)	(3)	(4)	Core EPS (sen)	26.3	29.7	13.9	12.4	15.7
Taxation	(102)	(129)	(58)	(51)	(65)	P/E (x)	4.0	3.5	7.5	8.4	6.6
Working Capital	(186)	(155)	232	26	(42)	DPS (sen)	22.0	26.0	17.3	10.0	12.0
Others	3	26	5	5	5	Dividend yield (%)	21.2%	25.0%	16.6%	9.6%	11.5%
CFO	121	209	421	197	167	BVPS (RM)	0.66	0.70	0.57	0.53	0.58
Capex	(11)	(14)	(15)	(15)	(15)	P/B (x)	1.6	1.5	1.8	2.0	1.8
Others	1	(11)	0	0	0	EBITDA margin	11.3%	11.9%	9.9%	9.7%	10.5%
CFI	(10)	(26)	(15)	(15)	(15)	EBIT margin	10.7%	11.2%	8.8%	8.4%	9.4%
Changes in debt	(100)	(37)	50	0	0	PBT margin	12.0%	12.4%	9.4%	9.2%	10.2%
Shares issued	7	(2)	0	0	0	Net margin	8.7%	8.9%	6.6%	6.4%	7.1%
Dividends	(154)	(298)	(315)	(187)	(128)	ROE (%)	43.8%	43.8%	22.0%	22.6%	28.3%
Others	(17)	(21)	(20)	(20)	(20)	ROA (%)	18.3%	18.9%	9.2%	9.0%	11.3%
CFF	(264)	(358)	(285)	(207)	(148)	Net gearing (%)	N.Cash	N.Cash	N.Cash	N.Cash	N.Cash
Net cash flow	(153)	(174)	121	(25)	4	N.Cash/share (sen)	37.5	25.9	32.0	29.8	30.2
Forex	(4)	1	0	0	0	Assumptions					
Others	0	0	0	0	0	Sales volume					
Beginning cash	694	538	365	486	461	Mazda Msia	15,598	18,394	11,917	10,420	11,730
Ending cash	538	365	486	461	465	Kia Msia	2,194	1,848	1,000	1,000	1,200

Production volume

MMSB (units)	9,833	10,890	15,118	14,300	13,500
Inokom (units)	17,282	22,215	26,745	26,736	26,190

Figure #1 Quarterly results comparison

FYE Apr (RMm)	3QFY24	2QFY25	3QFY25	QoQ (%)	YoY (%)	9MFY24	9MFY25	YoY (%)
Revenue	896.5	646.9	602.1	-6.9%	-32.8%	2,992.7	2,095.1	-30.0%
EBITDA	92.4	62.3	42.5	-31.7%	-53.9%	332.5	185.6	-44.2%
Core EBIT	85.6	55.5	35.5	-36.1%	-58.6%	325.6	177.6	-45.5%
Interest Expense	(0.7)	(2.5)	(2.0)	-20.3%	165.6%	(2.6)	(5.5)	109.0%
Interest on Lease Liability	(1.1)	(1.2)	(1.1)			(3.0)	(3.4)	
Interest and Investment Income	2.3	2.3	2.6	10.6%	10.1%	8.4	6.8	-18.9%
Associates								#DIV/0!
MMSB	5.2	3.1	(0.3)	-110.6%	-106.2%	19.1	8.5	-55.5%
Inokom	3.6	1.3	1.4	7.5%	-61.6%	8.7	6.5	-26.1%
KMSB	(1.3)	(0.6)	(0.6)			2.4	0.2	
Others	(0.0)	(0.3)	(0.2)			0.2	(0.8)	
Core PBT	93.6	57.6	35.2	-38.9%	-62.4%	358.8	189.8	-47.1%
Exceptionals	1.5	(0.6)	(0.4)			(0.2)	(0.3)	
Reported PBT	95.1	57.0	34.8	-38.8%	-63.4%	358.6	189.6	-47.1%
Tax	(20.5)	(14.3)	(8.6)	-40.0%	-58.1%	(80.4)	(45.3)	-43.6%
MI	(4.0)	(2.3)	(2.1)	-8.0%	-48.2%	(17.3)	(9.5)	-45.1%
Reported PATAMI	70.5	40.3	24.1	-40.2%	-65.8%	260.8	134.7	-48.4%
Core PATAMI	69.0	41.0	24.5	-40.2%	-64.5%	261.0	135.0	-48.3%
Reported EPS (Sen)	6.0	3.5	2.1	-40.2%	-65.8%	22.3	11.5	-48.4%
Core EPS (Sen)	5.9	3.5	2.1	-40.2%	-64.5%	22.4	11.5	-48.3%
				%-pts	%-pts			%-pts
EBITDA Margin (%)	10.3%	9.6%	7.1%	(2.6)	(3.2)	11.1%	8.9%	(2.3)
Core EBIT Margin (%)	9.6%	8.6%	5.9%	(2.7)	(3.7)	10.9%	8.5%	(2.4)
Core PATAMI Margin (%)	7.7%	6.3%	4.1%	(2.3)	(3.6)	8.7%	6.4%	(2.3)

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Figure #2 Quarterly result breakdown

FYE Apr (RM m)	3QFY24	2QFY25	3QFY25	QoQ (%)	YoY (%)	9MFY24	9MFY25	YoY (%)
Revenue								
Malaysia	805.8	581.7	552.4	-5.0%	-31.4%	2,712.7	1,889.1	-30.4%
Philippines	90.7	65.2	49.7	-23.8%	-45.3%	280.0	206.1	-26.4%
Total	896.5	646.9	602.1	-6.9%	-32.8%	2,992.7	2,095.1	-30.0%
EBIT								
Malaysia	73.7	46.4	27.7	-40.2%	-62.4%	281.5	143.4	-49.0%
Philippines	13.8	9.3	7.9	-14.4%	-42.5%	45.2	35.6	-21.4%
Others	(0.4)	(0.8)	(0.6)			(1.3)	(1.7)	
Total	87.1	54.9	35.1	-36.1%	-59.7%	325.4	177.3	-45.5%
Core EBIT	85.6	55.5	35.5	-36.1%	-58.6%	325.6	177.6	-45.5%

Bursa, HLIB Research

Figure #3 Model line up 2024-25

CY2025			
	CX-3 IPM5 (Jan '24) 	CX-5 IPM6 (Jan '24) 	New CX-60 (Q3 '25) 
	All-New EV9 CBU (Jun 24') 	All-New Sportage CBU (Dec 24') 	
	All-New G6 CBU (Aug 24') 	All-New G9 CBU (Mar 25') 	
 DEEPAL	Deepal S07 EV (Q3 25') 	Deepal S05 EV (Q4 25') 	Deepal E07 EV (Q4 25') 

Company

Figure #4 Quarterly sales breakdown

Malaysia Sales Statistics	3QFY24	2QFY25	3QFY25	QoQ (%)	YoY (%)	9MFY24	9MFY25	YoY (%)
Mazda CBU								
Mazda 2	49	53	10	-81.1%	-79.6%	123	96	-22.0%
Mazda 3	150	255	183	-28.2%	22.0%	1,361	777	-42.9%
Mazda 6	16	15	9	-40.0%	-43.8%	95	34	-64.2%
CX-3	276	66	44	-33.3%	-84.1%	1,340	351	-73.8%
CX-30	0	0	0	N.M.	N.M.	2	0	N.M.
CX-9	2	7	3	-57.1%	50.0%	9	17	88.9%
MX-30	0	0	0	N.M.	N.M.	5	0	N.M.
MX-5	5	4	1	-75.0%	-80.0%	19	10	-47.4%
BT-50	21	0	-1	N.M.	-104.8%	87	24	-72.4%
Subtotal	519	400	249	-37.8%	-52.0%	3,041	1,309	-57.0%
Mazda CKD								
CX-30	1,691	1,019	1,101	8.0%	-34.9%	4,559	3,260	-28.5%
CX-5	1,616	1,270	1,089	-14.3%	-32.6%	4,911	4,057	-17.4%
CX-8	441	318	219	-31.1%	-50.3%	1,673	890	-46.8%
Subtotal	3,748	2,607	2,409	-7.6%	-35.7%	11,143	8,207	-26.3%
Total Mazda Malaysia	4,267	3,007	2,658	-11.6%	-37.7%	14,184	9,516	-32.9%
Peugeot CKD								
2008	33	5	1	-80.0%	-97.0%	186	106	-43.0%
3008	107	6	0	N.M.	N.M.	450	314	-30.2%
5008	4	2	0	N.M.	N.M.	61	15	-75.4%
Landtrek	2	0	1	N.M.	-50.0%	22	9	-59.1%
Total Peugeot Malaysia	146	13	2	-84.6%	-98.6%	719	444	-38.2%
KIA								
Carnival (CKD)	412	160	143	-10.6%	-65.3%	993	535	-46.1%
Carnival (CBU)	4	0	0	N.M.	N.M.	353	0	N.M.
Sorento (CKD)	26	0	17	N.M.	-34.6%	83	39	-53.0%
Kia Sportage (CKD)	0	0	88	N.M.	N.M.	0	88	N.M.
EV6	1	2	0	N.M.	N.M.	10	2	-80.0%
EV9	1	2	0	N.M.	N.M.	10	2	-80.0%
Niro EV	1	0	0	N.M.	N.M.	4	0	N.M.
Stinger	0	16	0	N.M.	N.M.	0	36	N.M.
Total KIA Malaysia	445	180	248	37.8%	-44.3%	1,439	664	-53.9%
XPeng								
G6	0	156	341	118.6%	N.M.	0	497	N.M.
Total Malaysia	4,858	3,356	3,249	-3.2%	-33.1%	16,342	11,121	-31.9%

Bermaz Auto

Figure #5 Quarterly sales breakdown

Philippines Sales Statistics	3QFY24	2QFY25	3QFY25	QoQ (%)	YoY (%)	9MFY24	9MFY25	QoQ (%)
Mazda 2	5	14	8	-42.9%	60.0%	19	28	47.4%
Mazda 3	57	94	13	-86.2%	-77.2%	267	146	-45.3%
Mazda 6	6	6	4	-33.3%	-33.3%	16	16	0.0%
CX-3	6	1	0	N.M.	N.M.	23	7	-69.6%
CX-30	9	17	6	-64.7%	-33.3%	73	32	-56.2%
CX-5	75	59	56	-5.1%	-25.3%	310	194	-37.4%
CX-60	130	72	34	-52.8%	-73.8%	215	275	27.9%
CX-7	57	81	86	6.2%	50.9%	289	239	-17.3%
CX-9	15	37	31	-16.2%	106.7%	153	97	-36.6%
CX-90	68	39	41	5.1%	-39.7%	151	166	9.9%
MX-5	25	27	26	-3.7%	4.0%	139	83	-40.3%
BT-50	153	14	0	N.M.	N.M.	291	45	-84.5%
Total Mazda Philippines	606	461	305	-33.8%	-49.7%	1,946	1,328	-31.8%
Total Group Sales	5,464	3,817	3,554	-6.9%	-35.0%	18,288	12,449	-31.9%

Bermaz Auto

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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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