

Bermaz Auto Berhad

(5248 | BAUTO MK) Main | Consumer Products & Services



2QFY26 Results Review Deemed in Line

Maintain NEUTRAL. We view Bermaz Auto Berhad's 2QFY26 results as broadly in line with expectations for now, as we expect a stronger 2HFY26 supported by deliveries of its newly launched models, namely the Mazda 3 1.5L (which makes up most of the Mazda MY's outstanding orders), the Mazda CX-60, and the facelifted XPeng G6. Mazda MY has an estimated 3,000 units in backlog, while XPeng's backlog stands at about 250 units. Despite keeping our earnings unchanged, we lifted our target price to **RM0.65** (from RM0.56) after raising our valuation multiple from 6x to 7x FY27F EPS (-1.0SD below its 5-year historical mean), underpinned by expectations of a gradual recovery in sales volumes and potential earnings improvements following the termination of the Kia distributorship.

Within expectations. BAuto reported core PATAMI of RM18.7m in 2QFY26, bringing its 1HFY26 total to RM27.3m, or 38%/40% of our/consensus full-year estimates. We are keeping our forecasts unchanged for now, as we expect a stronger performance in 2HFY26. The Group announced a second interim dividend of 1.25 sen/share, lifting the 1HFY26 total to 2.0 sen/share (DPR: 85%).

XPeng is gaining traction on its broader lineup. The Group's revenue contracted -14.0%yoY in 2QFY26, driven by softer domestic operations as weaker demand for certain Mazda models resulted in a -24.1%yoY decline for the marque, while Kia sales fell -32.6%yoY. XPeng continued to strengthen its momentum, supported by a broader model range, with sales rising 2.3x. Overseas operations were likewise affected, with Mazda PH posting a sales decline of -24.1%yoY. Associates' contribution slipped into losses (vs. a profit of RM3.4m), mainly due to Kia Malaysia, which was hit by retroactive idle capacity charges from weaker CKD production. Altogether, core PATAMI declined more sharply by -55.3%yoY as margins narrowed due to weaker operating efficiency.

Sequential improvement on new model launches. Compared with 1QFY26, revenue increased +13.3%qoq, mainly supported by stronger Mazda MY (+43.3%qoq) sales following the launch of the Mazda CX-60 and Mazda 3 1.5L models, which helped offset weaker Kia (-38.5%qoq) and Mazda PH (-24.6%qoq) sales. Associates' contributions improved overall, with the share of losses narrowing by +28.8%qoq. More favourable margins and a lower effective tax rate lifted core PATAMI by 2.2x.

Earnings estimates. We made no revisions to our earnings estimates.

Maintain NEUTRAL

Revised Target Price **RM0.65**
(from RM0.56)

RETURN STATISTICS

Price @ 10 th December 2025 (RM)	0.70
Expected share price return (%)	-6.4
Expected dividend yield (%)	+5.7
Expected total return (%)	-0.7%

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	11.9	13.6
3 months	3.7	2.6
12 months	-64.5	-64.6

INVESTMENT STATISTICS

FYE Apr	2026E	2027F	2028F
Revenue	2,462.5	2,555.1	2,613.8
Operating profit	110.8	153.3	162.1
PBT	119.8	162.8	172.0
Core PATAMI	71.8	108.2	113.3
Core EPS (sen)	6.2	9.4	9.8
DPS (sen)	4.0	6.1	6.4
Dividend yield	5.7%	8.7%	9.1%

KEY STATISTICS

FBM KLCI	1,611.00
Issued shares (m)	1158.65
Estimated free float (%)	61.05
Market Capitalisation (RM'm)	803.44
52-wk price range	RM0.50 - RM1.98
3-mth average daily volume (m)	6.13
3-mth average daily value (RM'm)	3.85
Top Shareholders (%)	
Dynamic Milestone Sdn Bhd	16.11
Amanah Saham Nasional Bhd	7.58
Lembaga Tabung Haji	6.87

Analyst

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BAUTO: 2QFY26 RESULTS SUMMARY

FYE Apr (RM'm)	Quarterly					Cumulatively		
	2QFY26	1QFY26	2QFY25	QoQ	YoY	1HFY26	1HFY25	YoY
Revenue	556.5	491.3	646.9	13.3%	-14.0%	1,047.7	1,493.0	-29.8%
Malaysia	506.9	425.0	581.7	19.3%	-12.8%	932.0	1,336.6	-30.3%
Philippines	49.5	66.2	65.2	-25.2%	-24.0%	115.8	156.4	-26.0%
Operating profit	36.6	28.8	55.6	27.0%	-34.2%	65.4	143.3	-54.4%
Malaysia	33.0	22.1	46.4	49.2%	-28.9%	55.0	115.7	-52.4%
Philippines	3.2	7.2	9.3	-56.3%	-65.9%	10.4	27.6	-62.5%
Net finance costs	-0.2	-0.6	-1.2	72.2%	87.2%	-0.7	-1.5	52.2%
Associates	-6.6	-9.3	3.4	28.8%	-295.4%	-16.0	14.1	-212.8%
PBT	28.4	18.9	57.1	49.9%	-50.2%	47.3	154.8	-69.4%
Tax expense	-10.1	-8.3	-14.3	-21.3%	29.4%	-18.5	-36.7	49.7%
PATAMI	17.2	8.3	40.3	107.7%	-57.4%	25.5	110.6	-77.0%
Core PATAMI	18.7	8.6	41.8	117.4%	-55.3%	27.3	110.5	-75.3%
				ppts	ppts			ppts
OP margin	6.6%	5.9%	8.6%	0.7	-2.0	6.2%	9.6%	-3.4
OP margin MY	6.5%	5.2%	8.0%	1.3	-1.5	5.9%	8.7%	-2.7
OP margin PH	6.4%	10.9%	14.2%	-4.5	-7.8	9.0%	17.7%	-8.7
PBT margin	5.1%	3.9%	8.8%	1.2	-3.7	4.5%	10.4%	-5.9
Core PATAMI margin	3.4%	1.7%	6.5%	1.6	-3.1	2.6%	7.4%	-4.8
Effective tax rate	-35.7%	-44.0%	-25.1%	8.4	-10.5	-39.0%	-23.7%	-15.3

SHARE OF RESULTS OF ASSOCIATES

FYE Apr (RM'm)	Quarterly					Cumulatively		
	2QFY26	1QFY26	2QFY25	QoQ	YoY	1HFY26	1HFY25	YoY
PAT								
Mazda Malaysia	0.9	-0.2	3.1	514.5%	-70.1%	0.7	8.9	-92.1%
Inokom	0.4	-5.7	1.3	106.7%	-70.2%	-5.3	5.1	-204.6%
KIA Malaysia Sdn Bhd	-7.8	-3.2	-0.6	-143.6%	-1118.6%	-11.0	0.8	-1411.1%
Other	-0.1	-0.2	-0.3	33.3%	55.9%	-0.3	-0.6	44.5%
Total	-6.6	-9.3	3.4	28.8%	-295.4%	-16.0	14.1	-212.8%
Units sold	2QFY26	1QFY26	2QFY25	QoQ	YoY	1HFY26	1HFY25	YoY
Mazda Malaysia	1,794	1,925	1,724	-6.8%	4.1%	3,719	5,332	-30.3%
Inokom	10,356	6,990	8,231	48.2%	25.8%	17,346	21,512	-19.4%
KIA Malaysia Sdn Bhd	119	104	909	14.4%	-86.9%	223	2,045	-89.1%

Source: BAuto, MBSBR

UNIT SOLD BY MODELS (MALAYSIA)

FYE April (Units)	Quarterly					Cumulatively		
	2QFY26	1QFY26	2QFY25	QoQ	YoY	1HFY26	1HFY25	YoY
Mazda CBU								
Mazda 2	4	6	53	-33.3%	-92.5%	10	86	-88.4%
Mazda 3	473	100	255	373.0%	85.5%	573	594	-3.5%
Mazda 6	4	5	15	-20.0%	-73.3%	9	25	-64.0%
CX-3	10	31	66	-67.7%	-84.8%	41	307	-86.6%
CX-60	472	-	-	-	-	472	-	-
CX-9	2	1	7	100.0%	-71.4%	3	14	-78.6%
CX-80	10	-	-	-	-	10	-	-
MX-5	7	4	4	75.0%	75.0%	11	9	22.2%
BT-50	1	4	-	-75.0%	-	5	25	-80.0%
	983	151	400	551.0%	145.8%	1,134	1,061	6.9%
Mazda CKD								
CX-5	473	684	1,270	-30.8%	-62.8%	1,157	2,968	-61.0%
CX-8	219	185	318	18.4%	-31.1%	404	671	-39.8%
CX-30	607	573	1,019	5.9%	-40.4%	1,180	2,159	-45.3%
	1,299	1,442	2,607	-9.9%	-50.2%	2,741	5,798	-52.7%
KIA CBU								
EV6	-	2	2	-	-	2	2	-
EV9	-	1	16	-	-	1	36	-97.2%
	0	3	18	-100.0%	-100.0%	3	38	-92.1%
KIA CKD								
Carnival	75	117	160	-35.9%	-53.1%	192	392	-51.0%
Sorento	6	3	-	100.0%	-	9	22	-59.1%
Sportage	39	72	-	-45.8%	-	111	-	-
	120	192	160	-37.5%	-25.0%	312	414	-24.6%
XPeng CBU								
G6	212	128	156	65.6%	35.9%	340	156	117.9%
X9	152	258	-	-41.1%	-	410	-	-
	364	386	156	-5.7%	-	750	156	-
Total Volume	2,766	2,174	3,354	27.2%	-17.5%	4,940	7,909	-37.5%

Source: BAuto, MBSBR

UNITS SOLD BY MODELS (PHILIPPINES)

Mazda CBU	Quarterly					Cumulatively		
	2QFY26	1QFY26	2QFY25	QoQ	YoY	1HFY26	1HFY25	YoY
Mazda 2	8	-	14	-	-42.9%	8	20	-60.0%
Mazda 3	53	53	94	0.0%	-43.6%	106	133	-20.3%
Mazda 6	2	1	6	100.0%	-66.7%	3	12	-75.0%
CX-3	-	-	1	-	-	-	7	-
CX-30	13	11	17	18.2%	-23.5%	24	26	-7.7%
CX-5	25	37	59	-32.4%	-57.6%	62	138	-55.1%
CX-60	49	88	72	-44.3%	-31.9%	137	241	-43.2%
CX-8	53	45	81	17.8%	-34.6%	98	153	-35.9%
CX-9	-	-	37	-	-	-	66	-
CX-90	31	36	39	-13.9%	-20.5%	67	125	-46.4%
MX-5	53	65	27	-18.5%	96.3%	118	57	107.0%
BT-50	63	128	14	-50.8%	350.0%	191	45	324.4%
Total Volume	350	464	461	-24.6%	-24.1%	814	1,023	-20.4%

SUMMARY OF UNITS SOLD

Marques	Quarterly					Cumulatively		
	2QFY26	1QFY26	2QFY25	QoQ	YoY	1HFY26	1HFY25	YoY
Mazda (MY)	2,282	1,593	3,007	43.3%	-24.1%	3,875	6,859	-43.5%
Kia (MY)	120	195	178	-38.5%	-32.6%	315	452	-30.3%
Xpeng (MY)	364	386	156	-5.7%	133.3%	750	156	380.8%
Mazda (PH)	350	464	461	-24.6%	-24.1%	814	1,023	-20.4%
Total Volume	2,766	2,174	3,341	27.2%	-17.2%	4,940	7,467	-33.8%

Source: BA Auto, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026E	2027F	2028F	Cash Flow (RM'm)	2024A	2025A	2026E	2027F	2028F
Revenue	3,911.0	2,623.8	2,462.5	2,555.1	2,613.8	PBT	483.7	224.3	119.8	162.8	172.0
Operating profit	436.0	212.7	110.8	153.3	162.1	D&A	26.8	25.9	23.9	22.2	20.9
PBT	483.7	224.3	119.8	162.8	172.0	Operating cash flow	202.2	226.1	143.8	185.0	192.8
Taxation	-111.4	-56.5	-28.8	-39.1	-41.3	Capex	-14.2	-9.8	-15.0	-15.0	-15.0
PATAMI	345.6	155.9	71.8	108.2	113.3	Investing cash flow	-15.0	69.7	-15.0	-15.0	-15.0
Core PATAMI	347.9	155.6	71.8	108.2	113.3	Dividends paid	-297.7	-344.8	-46.2	-70.5	-74.0
						Debt raised/(repaid)	-37.5	163.1	-5.0	-5.0	-4.0
EPS (sen)	30.1	13.5	6.2	9.4	9.8	Financing cash flow	-361.4	-224.5	-51.2	-75.5	-78.0
PER (x)	2.3x	5.2x	11.3x	7.5x	7.1x	Net cash flow	-174.2	71.3	77.5	94.5	99.8
DPS (sen)	26.0	16.8	4.0	6.1	6.4	Beginning cash	0.0	537.6	432.8	510.4	604.8
Dividend yield (%)	37.1%	23.9%	5.7%	8.7%	9.1%	Ending cash	364.8	432.8	510.4	604.8	704.7
Balance Sheet (RM'm)	2024A	2025A	2026E	2027F	2028F	Profitability Ratios (%)	2024A	2025A	2026E	2027F	2028F
PPE	48.0	45.6	50.4	51.3	51.9	OP margin	11.1%	8.1%	4.5%	6.0%	6.2%
ROU assets	84.0	80.9	62.8	55.2	49.2	PBT margin	12.4%	8.5%	4.9%	6.4%	6.6%
Non-current assets	609.7	534.8	521.5	514.9	509.5	PATAMI margin	8.8%	5.9%	2.9%	4.2%	4.3%
Inventories	686.8	499.1	239.6	244.3	249.3	Core PATAMI margin	8.9%	5.9%	2.9%	4.2%	4.3%
Receivables	223.7	209.8	172.9	179.4	183.6	ROA	18.4%	9.2%	4.4%	6.5%	6.7%
Cash balances	59.2	126.3	510.4	604.8	704.7	ROE	38.3%	21.2%	9.4%	13.5%	13.5%
Current assets	1,277.5	1,156.2	1,097.7	1,143.0	1,189.9						
Long-term borrowings	0.0	0.0	0.0	0.0	0.0	Growth (%)	2024A	2025A	2026E	2027F	2028F
Non-current liabilities	387.2	367.9	367.9	367.9	367.9	Revenue growth	10.5%	-32.9%	-6.1%	3.8%	2.3%
Short-term borrowings	62.5	225.6	52.5	47.5	43.5	PBT growth	14.3%	-53.6%	-46.6%	35.9%	5.6%
Payables	381.0	225.9	301.7	307.6	314.0	PATAMI growth	13.0%	-54.9%	-53.9%	50.6%	4.7%
Current liabilities	591.3	587.9	490.5	491.5	493.8	Core PATAMI growth	14.6%	-55.3%	-53.9%	50.6%	4.7%
Share capital	626.2	629.4	629.4	629.4	629.4						
Reserves	196.0	29.7	55.2	92.9	132.1						
Total equity	908.6	735.2	760.8	798.4	837.7						

Source: BAuto, MBSBR

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STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is expected to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

★★★★	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
★★★	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
★★	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
★	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology