



Bermaz Auto Berhad

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


Downgrade to **NEUTRAL** (from BUY)

Revised Target Price **RM0.86** (from RM1.43)

4QFY25 Results Review No Let Up in the Strain

Downgrade to NEUTRAL. Bermaz Auto Berhad's (BAuto) 4QFY25 results fell short of expectations due to softer-than-anticipated vehicle sales. Following the latest FY26F volume guidance, our forecasts remain more conservative. Accordingly, we have revised our earnings down, resulting in a lower target price of **RM0.86** (from RM1.43) based on a lower PER of 6.0x (from 8.0x) FY26F EPS or -1.0SD (from -0.5SD) below its 5-year mean to better reflect the tough operating landscape. Dividend yield remains appealing at +10.0%.

Below expectations. BAuto reported a core PATAMI of RM21.7m for 4QFY25, bringing FY25 (FYE April) earnings to RM155.6m. The results were below expectations, achieving 86%/92% of our/consensus full-year projections, largely due to softer-than-expected vehicle sales. A fourth interim dividend of 1.50 sen was declared, raising total dividends for FY25 to 16.75 sen, with a DPR of 126% (73% excluding the special dividend).

Chinese marques dent domestic performance. The influx of Chinese-made vehicles significantly weighed on domestic sales, with Mazda down -53.7%yoy and Kia down -40.7%yoy, leading to a drop in group revenue to RM528.6m (-43.6%yoy). While the new Kia Sportage was introduced late last year, its impact fell short of offsetting the sharp decline in Kia Carnival sales following the diesel subsidy removal. Overseas operations also struggled, with Mazda PH sales down -29.2%yoy. Meanwhile, contributions from associates involved in local production and assembly turned into losses. Consequently, core PATAMI declined -76.3%yoy, with margins narrowing by -5.7ppts.

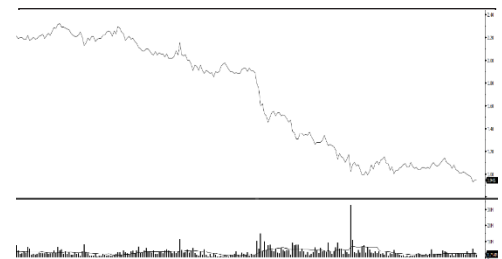
XPeng X9 entered the mix. Compared to 3QFY25, group revenue declined by -12.2%qoq, mainly due to a -26.6%qoq drop in Mazda MY's sales. While the new Kia Sportage sales rose +10.2%qoq, this was not enough to offset the -8.4%qoq decline in Kia Carnival sales. On a more positive note, Mazda PH saw a strong rebound with sales up +47.9%qoq. The quarter also saw the first contribution from the XPeng X9, launched in Mar-25, with full-year sales from this marque surpassing our estimates. Overall, core PATAMI fell -7.3%qoq, while margins remained broadly stable, easing slightly by -0.2ppts.

Earnings estimates. We are taking a more conservative view on sales volume assumptions relative to the latest guidance (as detailed below), with slight adjustments following the full-year update. As such, our FY26F/FY27F forecasts have been cut by -20%. To note, we excluded contributions from Deepal as its launch (originally planned for 2HCY25) could be delayed. In any case, it is not expected to be a major volume driver. Additionally, we have lowered our DPR assumption to 65% from 80%.

RETURN STATISTICS

Price @ 12 th June 2025 (RM)	0.93
Expected share price return (%)	-7.7
Expected dividend yield (%)	+10.0
Expected total return (%)	+2.3

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-11.7	-10.4
3months	-14.9	-11.5
12 months	-60.1	-57.9

INVESTMENT STATISTICS

FYE April	2025A	2026F	2027F
Revenue	2,623.8	2,833.0	2,928.2
Operating profit	212.7	221.0	234.3
PBT	224.3	245.2	251.4
Core PATAMI	155.6	167.1	175.5
Core EPS	13.3	14.3	15.0
DPS	16.8	9.3	9.8
Dividend yield	18.0%	10.0%	10.5%

KEY STATISTICS

FBM KLCI	1,526.62
Issued shares (m)	1168.82
Estimated free float (%)	64.94
Market Capitalisation (RM'm)	1,097.33
52-wk price range	RM0.92 - RM2.50
3-mth avg. daily volume (m)	2.34
3-mth avg. daily value (RM'm)	2.47
Top Shareholders (%)	
Dynamic Milestone Sdn Bhd	15.27
EPF	14.63
Amanah Saham Nasional Bhd	8.30

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BERMAZ: 4QFY25 RESULTS SUMMARY

FYE Apr (RM'm)	Quarterly					Cumulatively		
Income Statement	4QFY25	3QFY25	4QFY24	QoQ	YoY	FY25	FY24	YoY
Revenue	528.6	602.1	937.5	-12.2%	-43.6%	2,623.8	3,911.0	-32.9%
Malaysia	465.3	552.4	841.7	-15.8%	-44.7%	2,354.3	3,554.4	-33.8%
Philippines	63.4	49.7	95.9	27.5%	-33.9%	269.4	375.9	-28.3%
Operating profit	35.4	35.1	110.7	1.0%	-68.0%	212.7	436.0	-51.2%
Malaysia	27.4	27.7	97.3	-1.0%	-71.8%	170.8	378.8	-54.9%
Philippines	8.6	7.9	13.8	9.4%	-37.5%	44.2	59.1	-25.2%
Net finance costs	-0.5	-0.5	0.3	0.0%	-255.1%	-2.5	3.1	-183.2%
Associates	-0.3	0.3	19.6	-214.8%	-101.5%	14.1	44.6	-68.4%
PBT	34.6	34.8	130.6	-0.6%	-73.5%	224.3	483.7	-53.6%
Tax expense	-11.2	-8.6	-31.0	-29.7%	64.0%	-56.5	-111.4	49.3%
PATAMI	21.2	24.1	90.2	-12.2%	-76.5%	155.9	345.6	-54.9%
Core PATAMI	21.7	23.4	91.7	-7.3%	-76.3%	155.6	347.9	-55.3%
				ppts	ppts			ppts
OP margin	6.7%	5.8%	11.8%	0.9	-5.1	8.1%	11.1%	-3.0
OP margin MY	5.9%	5.0%	11.6%	0.9	-5.7	7.3%	10.7%	-3.4
OP margin PH	13.6%	15.9%	14.4%	-2.3	-0.8	16.4%	15.7%	0.7
PBT margin	6.5%	5.8%	13.9%	0.8	-7.4	8.5%	12.4%	-3.8
Core PATAMI margin	4.1%	3.9%	9.8%	0.2	-5.7	5.9%	8.9%	-3.0
Effective tax rate	-32.2%	-24.7%	-23.7%	-7.5	-8.5	-25.2%	-23.0%	-2.2

SHARE OF RESULTS OF ASSOCIATES

FYE Apr	Quarterly					Cumulatively		
PAT	4QFY25	3QFY25	4QFY24	QoQ	YoY	FY25	FY24	YoY
Mazda Malaysia	2.9	-0.3	10.8	985.5%	-73.2%	11.4	29.9	-61.9%
Inokom	-2.4	1.4	2.6	-276.9%	-195.8%	4.0	5.8	-31.3%
KIA Malaysia Sdn Bhd	-0.6	-0.6	6.3	7.4%	-108.7%	-0.3	8.7	-103.5%
Other	-0.2	-0.2	-0.05	5.1%	-261.5%	-1.0	0.1	-800.0%
	-0.3	0.3	19.6	-214.8%	-101.5%	14.1	44.6	-68.4%
Units Sold								
Mazda Malaysia	2,212	2,735	5,134	-19.1%	-56.9%	10,279	19,609	-47.6%
Inokom	5,599	8,353	14,258	-33.0%	-60.7%	35,464	49,828	-28.8%
KIA Malaysia Sdn Bhd	233	669	1,307	-65.2%	-82.2%	2,947	3,108	-5.2%

Source: BAUTO, MIDFR

UNIT SOLD BY MODELS (MALAYSIA)

FYE April (Units)	Quarterly					Cumulatively		
Mazda CBU	4QFY25	3QFY25	4QFY24	QoQ	YoY	FY25	FY24	YoY
Mazda 2	13	10	27	30.0%	-51.9%	109	150	-27.3%
Mazda 3	194	183	274	6.0%	-29.2%	971	1,635	-40.6%
Mazda 6	4	9	17	-55.6%	-76.5%	38	112	-66.1%
CX-3	37	44	254	-15.9%	-85.4%	388	1,594	-75.7%
CX-9	3	3	4	0.0%	-25.0%	20	13	53.8%
MX-5	5	1	6	400.0%	-16.7%	15	25	-40.0%
BT-50	5	-1	10	600.0%	-50.0%	29	97	-70.1%
	261	249	592	4.8%	-55.9%	1,571	3,633	-56.8%
Mazda CKD								
CX-5	654	1,089	1,878	-39.9%	-65.2%	4,711	6,789	-30.6%
CX-8	212	219	466	-3.2%	-54.5%	1,102	2,139	-48.5%
CX-30	824	1,101	1,274	-25.2%	-35.3%	4,084	5,833	-30.0%
	1,690	2,409	3,618	-29.8%	-53.3%	9,897	14,761	-33.0%
Peugeot CKD								
2008	-	-	60	-	-	105	246	-57.3%
3008	-	-	105	-	-	314	555	-43.4%
5008	-	1	32	-	-	16	93	-82.8%
E-2008	-	1	4	-	-	1	4	-
Landtrek	-	-	27	-	-	8	49	-83.7%
	-	2	228	-	-	444	947	-53.1%
KIA CBU								
Carnival	-	-	2	-	-	-	355	-
EV6	-	-	-	-	-	2	10	-80.0%
Niro	-	6	-	-	-	6	4	50.0%
Stinger	-	-	-	-	-	-	3	-
EV9	2	5	-	-60.0%	-	43	-	-
	2	11	2	-81.8%	0.0%	51	372	-86.3%
KIA CKD								
Carnival	131	143	390	-8.4%	-66.4%	666	1,383	-51.8%
Sorento	10	17	13	-41.2%	-23.1%	49	96	-49.0%
Sportage	97	88	-	10.2%	-	185	-	-
	238	248	403	-4.0%	-40.9%	900	1,479	-39.1%
XPeng CBU								
G6	227	341	-	-33.4%	-	724	-	-
X9	100	-	-	-	-	100	-	-
	327	341	-	-4.1%	-	824	-	-
Total Volume	2,518	3,260	4,843	-22.8%	-48.0%	12,863	21,192	-39.3%

Source: BAuto, MIDFR

UNITS SOLD BY MODELS (PHILIPPINES)

	Quarterly					Cumulatively		
Mazda CBU	4QFY25	3QFY25	4QFY24	QoQ	YoY	FY25	FY24	YoY
Mazda 2	9	8	7	12.5%	28.6%	37	26	42.3%
Mazda 3	99	13	66	661.5%	50.0%	245	333	-26.4%
Mazda 6	4	4	5	0.0%	-20.0%	20	21	-4.8%
CX-3	-	-	5	-	-	7	28	-75.0%
CX-30	23	6	28	283.3%	-17.9%	55	101	-45.5%
CX-5	46	56	92	-17.9%	-50.0%	240	402	-40.3%
CX-60	50	34	106	47.1%	-52.8%	325	321	1.2%
CX-8	47	86	61	-45.3%	-23.0%	286	350	-18.3%
CX-9	3	31	30	-90.3%	-90.0%	100	183	-45.4%
CX-90	38	41	51	-7.3%	-25.5%	204	202	1.0%
MX-5	46	26	52	76.9%	-11.5%	129	191	-32.5%
BT-50	86	-	134	-	-	131	425	-69.2%
Total Volume	451	305	637	47.9%	-29.2%	1,779	2,583	-31.1%

SUMMARY OF UNITS SOLD

	Quarterly					Cumulatively		
Marques	4QFY25	3QFY25	4QFY24	QoQ	YoY	FY25	FY24	YoY
Mazda (MY)	1,951	2,658	4,210	-26.6%	-53.7%	11,468	18,394	-37.7%
Peugeot (MY)	-	2	228	-	-	444	947	-53.1%
Kia (MY)	240	259	405	-7.3%	-40.7%	951	1,851	-48.6%
Xpeng (MY)	327	341	-	-4.1%	-	824	-	-
Mazda (PH)	451	305	637	47.9%	-29.2%	1,779	2,583	-31.1%
Total Volume	2,518	3,260	4,843	-22.8%	-48.0%	13,687	21,192	-35.4%

Source: BAUTO, MIDFR

SALES VOLUME ASSUMPTIONS

	FY26F			FY27F	
Marques	Old	New	vs. Target	Old	New
Mazda (MY)	13,755	11,124	11,600	14,443	11,458
Kia (MY)	1,200	1,141	1,500	1,236	1,175
Xpeng (MY)	863	1,195	1,500	906	1,255
Mazda (PH)	1,803	1,832	2,100	1,857	1,887

Source: BAUTO, MIDFR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025A	2026F	2027F	Cash Flow (RM'm)	2023A	2024A	2025A	2026F	2027F
Revenue	3,540.6	3,911.0	2,623.8	2,833.0	2,928.2	PBT	423.3	483.7	224.3	245.2	251.4
Operating profit	391.5	436.0	212.7	221.0	234.3	D&A	23.4	26.8	25.9	23.9	22.2
PBT	423.3	483.7	224.3	245.2	251.4	Operating cash flow	113.2	202.2	226.1	269.2	273.6
Taxation	-94.0	-111.4	-56.5	-58.9	-60.3	Capex	-10.5	-14.2	-9.8	-15.0	-15.0
PATAMI	305.8	345.6	155.9	167.1	175.5	Investing cash flow	2.7	-15.0	69.7	-15.0	-15.0
Core PATAMI	303.4	347.9	155.6	167.1	175.5	Dividends paid	-154.0	-297.7	-344.8	-108.6	-114.4
						Debt raised/(repaid)	-100.0	-37.5	163.1	-5.0	-5.0
EPS (sen)	26.0	29.8	13.3	14.3	15.0	Financing cash flow	-268.7	-361.4	-224.5	-113.6	-119.4
PER (x)	3.6x	3.1x	7.0x	6.5x	6.2x	Net cash flow	-152.8	-174.2	71.3	140.6	139.1
DPS (sen)	22.0	26.0	16.8	9.3	9.8	Beginning cash	691.4	0.0	537.6	432.8	573.4
Dividend yield (%)	23.7%	28.0%	18.0%	10.0%	10.5%	Ending cash	538.6	364.8	432.8	573.4	712.6
Balance Sheet (RM'm)	2023A	2024A	2025A	2026F	2027F	Profitability Ratios (%)	2023A	2024A	2025A	2026F	2027F
PPE	44.6	48.0	45.6	50.4	51.3	OP margin	11.1%	11.1%	8.1%	7.8%	8.0%
ROU assets	72.2	84.0	80.9	62.8	55.2	PBT margin	12.0%	12.4%	8.5%	8.7%	8.6%
Non-current assets	538.5	609.7	534.8	521.5	514.9	PATAMI margin	8.6%	8.8%	5.9%	5.9%	6.0%
Inventories	503.9	686.8	499.1	265.2	273.5	Core PATAMI margin	8.6%	8.9%	5.9%	5.9%	6.0%
Receivables	207.8	223.7	209.8	199.0	205.7	ROA	17.0%	18.4%	9.2%	9.9%	10.0%
Cash balances	89.2	59.2	126.3	573.4	712.6	ROE	36.1%	38.3%	21.2%	21.1%	20.5%
Current assets	1,249.6	1,277.5	1,156.2	1,162.9	1,236.1						
Long-term borrowings	0.0	0.0	0.0	0.0	0.0	Growth (%)	2023A	2024A	2025A	2026F	2027F
Non-current liabilities	343.7	387.2	367.9	367.9	367.9	Revenue growth	52.4%	10.5%	-32.9%	8.0%	3.4%
Short-term borrowings	99.9	62.5	225.6	52.5	47.5	PBT growth	94.5%	14.3%	-53.6%	9.3%	2.5%
Payables	360.1	381.0	225.9	334.0	344.4	PATAMI growth	97.2%	13.0%	-54.9%	7.2%	5.0%
Current liabilities	602.9	591.3	587.9	522.8	528.2	Core PATAMI growth	95.6%	14.6%	-55.3%	7.4%	5.0%
Share capital	619.6	626.2	629.4	629.4	629.4						
Reserves	147.3	196.0	29.7	88.2	149.3						
Total equity	841.5	908.6	735.2	793.7	854.8						

Source: BAuto, MIDFR

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MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

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 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