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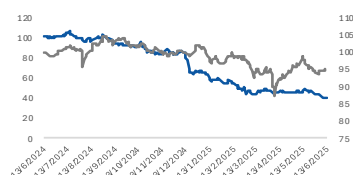
Recommendation:	HOLD
Current Price:	RM0.93
Previous Target Price:	RM 1.40
Target Price:	RM0.93
Capital Upside/ Downside:	0.0%
Dividend Yield (%):	18.0%
Total Upside/ Downside:	18.0%

Stock information

Board	MAIN
Sector	Automotive
Bursa / Bloomberg Code	5248 / BAUTOMK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	1,161.2
Market Cap (RM' m)	1,079.9
52-Week Price Range (RM)	2.502-0.92
Beta (x)	1.0
Free float (%)	64.9
3M Average Volume (m)	2.2
3M Average Value (RM' m)	2.4

Top 3 Shareholders

	(%)
Dynamic Milestone Sdn Bhd	15.3
Employees Provident Fund Board	14.6
Amanah Saham Nasional Bhd	8.3

Share Price Performance

	1M	3M	12M
Absolute (%)	-13.9	-7.9	-60.5
Relative (%)	-10.7	-8.9	-58.3

Earnings Summary

	FY25	FY26F	FY27F
Revenue	2623.8	2178.7	2253.4
PATAM I	155.9	131.0	148.4
CNP	155.9	131.0	148.4
Core EPS (sen)	13.4	11.3	12.8
PE (x)	6.9	8.2	7.3

Source: Company, Apex Securities

Bermaz Auto Berhad

Fell short of expectations

- Bauto's 4QFY25 CNP of RM21.9m down (-12.5% qoq, 55.6% yoy) came in below expectations, with FY25 CNP accounted for 61% of our full-year forecasts and 93% of consensus estimates. The earnings miss mainly due to weaker-than-expected vehicle sales across key CKD models.
- The Group declared a fourth interim dividend of 1.5sen (4QFY24: 11.75sen), bringing FY25 DPS to 16.75sen (FY24: 26.0sen).
- We have trimmed our FY26F and FY27F earnings by 47% and 45% respectively to account for the stiffer competition in the non-national segment and weaker forecasted sales across key CKD models.
- We downgrade Bauto to HOLD (from BUY) with a lower TP of RM0.93 (from RM1.40) pegged to 7.3x PE multiple on FY27F EPS of 12.78 sen.

Results below expectations. 4QFY25 core net profit (CNP) stood at RM21.2m, bringing the 12MFY25 CNP to RM155.9m. The result fell short of expectations, accounting for 60.5% of our full-year forecasts and 93.1% of consensus estimates. The earnings miss was driven by weaker-than-anticipated sales across key CKD models.

Lower Dividend Declared. The Group declared a fourth interim dividend of 1.5sen (4QFY24: 11.75sen), bringing FY25 DPS to 16.75sen (FY24: 26.0sen).

YoY. 4QFY25 CNP plunged 76.5% yoy on the back of a 43.6% decline in revenue and the absence of one-off gains from the closure of the PEUGEOT operation in March 2024. The revenue contraction was mainly due to lower sales volume of Mazda and Kia in the domestic market, as the segment continued to face pressure from an influx of competitively priced Chinese-made vehicles.

YTD. FY25 CNP declined 55.6% yoy, largely due to lower sales volume of Mazda and Kia in the domestic market, as mentioned above, and higher expenses related to Employees' Share Scheme (FY25: RM6.6m vs FY24: RM1.6m).

QoQ. CNP fell 12.2% qoq, aligning with a 13.0% decline in revenue. This was primarily driven by softer sales volume of Mazda and Kia in the domestic market, despite higher revenue from sales of XPeng.

Outlook. Looking ahead to FY26, BAUTO's continues to face a challenging market outlook due to influx of competitively priced Chinese-made vehicles. XPeng's sales, despite promising, are yet to contribute significantly to offset the slide in sales of Mazda and Kia in Malaysia.

Earnings Revision. We have trimmed our FY26F and FY27F earnings by 47% and 45% respectively to account for the stiffer competition in the non-national segment and weaker forecasted sales across key CKD models. We also introduce FY28F earnings forecast of RM190.9m.

Valuation. We downgrade Bauto to HOLD (from BUY) with a lower TP of RM0.93 (from RM1.40) pegged to 7.3x PE multiple on FY27F EPS of 12.78 sen, and ascribed with three-star ESG rating.

Risk. Global trade and economic uncertainties, adverse FX movements, and a moderation in domestic demand amid a softer GDP and TIV outlook.

Results Note

Friday, 13 Jun, 2025

Results Comparison

FYE Apr (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)	Comments
Revenue	528.6	937.5	(43.6)	602.1	(12.2)	2,623.8	3,911.0	(32.9)	
EBITDA	44.8	119.4	(62.5)	44.7	0.1	249.1	457.3	(45.5)	
Pre-tax profit	34.6	130.6	(73.5)	34.8	(0.6)	224.3	483.7	(53.6)	
Net profit	21.2	90.2	(76.5)	24.1	(12.2)	155.9	345.6	(54.9)	
Core net profit	21.2	90.2	(76.5)	24.1	(12.2)	155.9	345.6	(54.9)	
Core EPS (sen)	5.4	23.1	(76.5)	6.2	(12.2)	13.4	29.8	(54.9)	
EBITDA margin (%)	8.5	12.7		7.4		9.5	11.7		
PBT margin (%)	6.5	13.9		5.8		8.5	12.4		
Core net profit margin (%)	4.0	9.6		4.0		5.9	8.8		

Source: Company, Apex Securities

Segmental Breakdown

FYE Apr (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)	Comments
Revenue									
Malaysia	465.3	841.7	(44.7)	552.4	(15.8)	2,354.3	3,554.4	(33.8)	
Philippines	58.4	95.9	(39.1)	49.7	17.5	264.4	375.9	(29.7)	
Total	523.6	937.5	(44.1)	602.1	(13.0)	##	##	(33.4)	
Pre-tax profit									
Malaysia	30.5	114.9	(73.5)	30.7	(0.6)	197.4	430.4	(54.1)	
Philippines	4.2	15.7	(73.5)	4.2	(0.6)	26.9	58.7	(54.1)	
Total	34.6	130.6	(73.5)	34.8	(0.6)	224.3	489.1	(54.1)	
Pre-tax profit margin (%)									
Malaysia	6.5%	13.7%		5.5%		8.4%	12.1%		
Philippines	7.1%	16.3%		8.4%		10.2%	15.6%		
Aggregate Total	6.6%	13.9%		5.8%		8.6%	12.4%		

Source: Company, Apex Securities

Results Note

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Financial Highlights

Income Statement

FYE Apr (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	3911.0	2623.8	2178.7	2253.4	2307.5
Gross Profit	659.3	314.9	283.2	315.5	346.1
EBITDA	457.3	249.7	196.1	214.1	230.7
Depreciation & Amortisation	-10.8	-27.1	-7.3	-7.4	-7.9
EBIT	446.5	222.5	188.8	206.6	222.8
Net Finance Income/ (Cost)	-7.4	-12.3	-12.7	-6.4	-5.9
Associates & JV	44.6	14.1	21.8	22.5	23.1
Pre-tax Profit	483.7	224.3	197.9	222.8	240.0
Tax	-111.4	-56.5	-56.0	-63.0	-67.9
Profit After Tax	372.3	167.8	141.9	159.7	172.1
Minority Interest	26.7	11.9	10.9	11.3	11.5
PAT-MI	345.6	155.9	131.0	148.4	160.5
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	345.6	155.9	131.0	148.4	160.5

Key Ratios

FYE Apr	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	29.76	13.43	11.28	12.78	13.83
P/E(x)	3.12	6.93	8.24	7.27	6.73
P/B(x)	1.19	1.47	1.54	1.60	1.65
EV/EBITDA(x)	3.02	5.15	6.41	6.13	5.82
DPS (sen)	26.00	16.75	14.00	15.00	15.50
Dividend Yield (%)	28.0%	18.0%	15.1%	16.1%	16.7%
EBITDA margin (%)	11.7%	9.5%	9.0%	9.5%	10.0%
EBIT margin (%)	11.4%	8.5%	8.7%	9.2%	9.7%
PBT margin (%)	12.4%	8.5%	9.1%	9.9%	10.4%
PAT margin (%)	9.5%	6.4%	6.5%	7.1%	7.5%
NP margin (%)	8.8%	5.9%	6.0%	6.6%	7.0%
Core NP margin (%)	8.8%	5.9%	6.0%	6.6%	7.0%
ROE (%)	38.0%	21.2%	18.6%	22.0%	24.5%
ROA (%)	18.3%	9.2%	8.4%	10.1%	11.8%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Valuations

	FY27F
Core EPS (RM)	0.13
P/E multiple (x)	7.3
Fair Value (RM)	0.93

Source: Company, Apex Securities

Balance Sheet

FYE Apr (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash	364.8	432.8	340.0	299.8	286.2
Receivables	223.7	209.8	131.3	123.5	126.4
Inventories	686.8	499.1	405.9	413.6	379.3
Other current assets	2.1	14.5	14.5	14.5	14.5
Total Current Assets	1277.5	1156.2	891.7	851.5	806.4
Fixed Assets	132.0	126.5	111.9	112.6	113.1
Intangibles	117.1	110.3	110.3	110.3	111.3
Other non-current assets	360.6	298.1	450.2	400.1	325.9
Total Non-current assets	609.7	534.8	672.4	623.1	550.3
Short-term Debt	74.6	239.6	133.7	85.8	64.2
Payables	381.0	225.9	195.0	229.2	175.1
Other Current Liabilities	135.8	122.4	122.4	121.4	121.5
Total Current Liabilities	591.3	587.9	451.1	436.4	360.9
Long-term Debt	81.7	77.3	119.8	71.9	50.3
Other non-current liabilities	305.5	290.6	290.6	290.6	290.6
Total Non-current Liabilities	387.2	367.9	410.4	362.5	340.9
Shareholder's equity	815.8	644.4	611.8	584.9	564.2
Non controlling interest	92.9	90.8	90.8	90.8	90.8
Equity	908.6	735.2	702.6	675.6	655.0

Cash Flow

FYE Apr (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Receipts from customers	3929.6	2679.0	2224.6	2300.9	2356.1
Operating expenses	-3596.6	-2377.5	-1974.2	-2041.9	-2090.9
Tax paid	-129.0	-75.5	-56.0	-63.0	-67.9
Others	-1.8	0.0	0.0	0.0	0.0
Operating cash flow	202.2	226.1	194.4	195.9	197.3
Capex	-14.2	-9.8	-7.9	-8.2	-8.4
Others	-0.8	79.5	10.2	8.0	7.1
Investing cash flow	-15.0	69.7	2.3	-0.2	-1.3
Dividends paid	-297.7	-344.8	-163.7	-175.4	-181.2
Others	-63.7	120.3	-125.9	-60.5	-28.4
Financing cash flow	-361.4	-224.5	-289.6	-235.9	-209.6
Net cash flow	-174.2	71.3	-92.9	-40.1	-13.7
Forex	1.4	-3.2	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	537.6	364.8	432.8	340.0	299.8
Ending cash	364.8	432.8	340.0	299.8	286.2

Results Note

Friday, 13 Jun, 2025

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Scope 1 emissions at 1,717 tCO ₂ e and Scope 2 emissions at 9,612 tCO ₂ e in FY23
Waste & Effluent	★★★	Total CO ₂ emissions reported at 11,329 tCO ₂ e (Scope 1: 1,717 tCO ₂ e, Scope 2: 9,612 tCO ₂ e) in FY23
Energy	★★★	Energy consumption increased by 1% yoy to 15,041,845 kWh
Water	★★★	Water consumption increased 6% yoy to 142,824 m ³ in FY23 due to increased production and sales
Compliance	★★★	In compliance with local and international environmental regulations

Social

Diversity	★★★	73% of average employees age below 40, 21% of employees are female
Human Rights	★★★	Enforce and adopts Code of Ethics and Conduct
Occupational Safety and Health	★★	292 hours of OSH trainings completed, one worksite incidence in FY23
Labour Practices	★★★	Pay scale based on prevailing industry market rates as stipulated by the Act 732 National Wages Consultative Council Act

Governance

CSR Strategy	★★★	Pesta Makanan Amal 2023 and donated to Sekolah Semangat Maju
Management	★★	Board composition: 9 members, with 2 female directors and 4 independent directors. The average board member age is 53
Stakeholders	★★★	4x analyst briefings per annum, 1x AGM per annum

Overall ESG Scoring: ★★★

Recommendation Framework:

BUY: Total returns* are expected to exceed 10% within the next 12 months.

HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.

SELL: Total returns* are expected to be below -10% within the next 12 months.

TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.

TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.

*Capital gain

Sector Recommendations:

OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.

NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.

UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

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(a) nil.