

Research Team

(603) 7890 8888

research.dept@apexsecurities.com.my

Recommendation:	SELL
Current Price:	RM0.68
Previous Target Price:	RM0.93
Target Price:	RM0.50
Capital Upside/ Downside:	-26.5%
Dividend Yield (%):	12.5%
Total Upside/ Downside:	-13.9%

Stock information

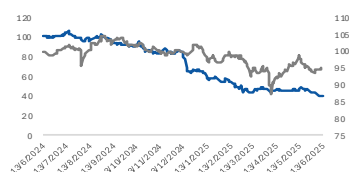
Board	MAIN
Sector	Automotive
Bursa / Bloomberg Code	5248 / BAUTOMK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	1,154.2
Market Cap (RM' m)	779.1
52-Week Price Range (RM)	2.273-0.65
Beta (x)	1.1
Free float (%)	62.0
3M Average Volume (m)	5.3
3M Average Value (RM' m)	3.9

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 (%)	0.7	-27.4	-70.2
Relative (%)	-0.2	-30.0	-69.1

Earnings Summary	FY25	FY26F	FY27F
Revenue	2622.3	1542.4	1580.0
PATAMI	153.6	55.3	80.6
CNP	153.6	55.3	80.6
Core EPS (sen)	13.1	4.7	6.9
PE (x)	5.2	14.3	9.8

Source: Company, Apex Securities

Bermaz Auto Berhad

Results undershot our expectations

- Bauto's 1QFY26 CNP of RM8.3m down (-60.9% QoQ, -88.2% YoY) came in below expectations, accounted for 6% of both ours and consensus estimates. The earnings miss was mainly due to weaker-than-expected vehicle sales across key CKD models.
- The Group declared a first interim dividend of 0.75 sen (ex-date 16 Oct) (1QFY25: 3.50 sen).
- We have trimmed our FY26F, FY27F, and FY28F earnings forecasts by 58%, 46%, and 56%, respectively, to reflect heightened competitive pressures in the non-national segment and softer projected sales across key CKD models. We have also made housekeeping adjustments to our forecasts.
- We downgrade Bauto to SELL (from HOLD) with a lower TP of RM0.50 (from RM0.93) pegged to 7.3x PE multiple on FY27F EPS of 6.87 sen.

Results below expectations. CNP came in at RM8.3m (-60.9% QoQ, -88.2% YoY), representing 6% of both ours and consensus estimate. The result was below our expectations weighed down by softer-than-anticipated sales performance across key CKD models.

Lower Dividend Declared. The Group declared a first interim dividend of 0.75 sen (ex-date 16 Oct) (1QFY25: 3.50 sen).

YoY. 1QFY26 CNP contracted sharply, down 88.2% YoY, while revenue decline 41.9% YoY. The weakness was primarily attributable to softer sales volumes, particularly for selected Mazda and Kia models which are nearing the end of their product lifecycles. This was further exacerbated by intensifying competition from the influx of Chinese marques adopting aggressive low-price strategies. Nonetheless, sales from Xpeng registered promising growth of 100% YoY, contributing 20% to the topline.

QoQ. CNP slumped 60.9% QoQ, in line with the 66% decline in profit margin. Similarly, revenue shed 7.1% QoQ, largely attributable to softer Mazda and Kia sales volumes, though partially cushioned by incremental contributions from XPeng.

Outlook. Looking ahead to FY26, BAUTO is expected to contend with a challenging operating backdrop amid the influx of aggressively priced Chinese entrants. While XPeng's early traction is encouraging, its contribution remains insufficient to meaningfully offset the erosion in Mazda and Kia sales domestically.

Earnings Revision. We have trimmed our FY26F, FY27F, and FY28F earnings forecasts by 58%, 46%, and 56%, respectively, to reflect heightened competitive pressures in the non-national segment and softer projected sales across key CKD models. Our earlier expectations for a recovery in Mazda sales have not materialised, with sales volume reaching only 52% of our estimate. With this, we have slashed our CKD sales volume to 5,860 units from 11,250 units. We have also made housekeeping adjustments to our forecasts.

Valuation. We downgrade Bauto to **SELL** (from HOLD) with a lower TP of **RM0.50** (from RM0.93) pegged to 7.3x PE multiple on FY27F EPS of 6.87 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, 12 Sep, 2025

Results Comparison

FYE Apr (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)	Comments
Revenue	491.3	846.2	(41.9)	528.6	(7.1)	491.3	846.2	(41.9)	Topline softness stemmed from weaker
EBITDA	37.7	95.5	(60.5)	45.4	(17.0)	37.7	95.5	(60.5)	Mazda and Kia volumes, partly offset by
Pre-tax profit	18.9	97.8	(80.6)	34.6	(45.3)	18.9	97.8	(80.6)	
Net profit	8.3	70.2	(88.2)	21.2	(60.9)	8.3	97.8	(91.5)	
Core net profit	8.3	70.2	(88.2)	21.2	(60.9)	8.3	70.2	(88.2)	
Core EPS (sen)	2.1	18.0	(88.2)	5.4	(60.9)	13.4	18.0	(25.2)	
EBITDA margin (%)	7.7	11.3		8.6		7.7	11.3		
PBT margin (%)	3.9	11.6		6.5		3.9	11.6		
Core net profit margin (%)	1.7	8.3		4.0		1.7	8.3		

Source: Company, Apex Securities

Segmental Breakdown

FYE Apr (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)	Comments
Revenue									
Malaysia	425.0	755.0	(43.7)	465.3	(8.7)	425.0	755.0	(43.7)	intensifying competition from low-priced
Philippines	66.2	91.2	(27.4)	63.4	4.6	66.2	91.2	(27.4)	Chinese entrants.
Total	491.3	846.2	(41.9)	528.6	(7.1)	491.3	846.2	(41.9)	
Pre-tax profit									
Malaysia	16.7	86.0	(80.6)	30.5	(45.3)	16.7	86.0	(80.6)	
Philippines	2.3	11.7	(80.6)	4.2	(45.3)	2.3	11.7	(80.6)	
Total	18.9	97.8	(80.6)	34.6	(45.3)	18.9	97.8	(80.6)	
Pre-tax profit margin (%)									
Malaysia	3.9%	11.4%		6.5%		3.9%	11.4%		
Philippines	3.4%	12.9%		6.6%		3.4%	12.9%		
Aggregate Total	3.9%	11.6%		6.5%		3.9%	11.6%		

Source: Company, Apex Securities

Results Note

Friday, 12 Sep, 2025

Financial Highlights

Income Statement

FYE Apr (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	3911.0	2622.3	1542.4	1580.0	1642.9
Gross Profit	659.3	441.6	200.5	205.4	213.6
EBITDA	457.3	234.2	108.0	142.2	147.9
Depreciation & Amortisation	-10.8	-12.2	-11.4	-10.0	-9.0
EBIT	446.5	222.0	96.5	132.2	138.8
Net Finance Income/ (Cost)	-7.4	-12.3	-21.2	-23.0	-24.8
Associates & JV	44.6	11.8	15.4	15.8	16.4
Pre-tax Profit	483.7	221.5	90.8	125.0	130.5
Tax	-111.4	-56.0	-23.6	-32.5	-33.9
Profit After Tax	372.3	165.5	67.2	92.5	96.5
Minority Interest	26.7	11.9	11.9	11.9	11.9
PAT-MI	345.6	153.6	55.3	80.6	84.7
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	345.6	153.6	55.3	80.6	84.7

Key Ratios

FYE Apr	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	29.47	13.10	4.71	6.87	7.22
P/E(x)	2.29	5.15	14.32	9.82	9.35
P/B(x)	0.87	1.08	1.08	1.09	1.10
EV/EBITDA (x)	2.39	4.27	10.94	8.20	7.83
DPS (sen)	25.48	29.42	5.80	8.46	8.89
Dividend Yield (%)	37.8%	43.6%	8.6%	12.5%	13.2%
EBITDA margin (%)	11.7%	8.9%	7.0%	9.0%	9.0%
EBIT margin (%)	11.4%	8.5%	6.3%	8.4%	8.5%
PBT margin (%)	12.4%	8.4%	5.9%	7.9%	7.9%
PAT margin (%)	9.5%	6.3%	4.4%	5.9%	5.9%
NP margin (%)	8.8%	5.9%	3.6%	5.1%	5.2%
Core NP margin (%)	8.8%	5.9%	3.6%	5.1%	5.2%
ROE (%)	38.0%	21.0%	7.6%	11.1%	11.8%
ROA (%)	18.3%	9.1%	3.4%	5.0%	5.2%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Valuations

	FY27F
Core EPS (RM)	0.07
P/E multiple (x)	7.3
Fair Value (RM)	0.50

Source: Company, Apex Securities

Balance Sheet

FYE Apr (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash	364.8	433.7	623.0	615.7	616.8
Receivables	223.7	206.2	126.8	129.9	135.0
Inventories	686.8	500.9	330.9	338.9	352.4
Other current assets	2.1	14.5	14.5	14.5	14.5
Total Current Assets	1277.5	1155.3	1095.2	1099.0	1118.8
Fixed Assets	132.0	126.1	120.5	116.5	113.7
Intangibles	117.1	110.5	110.5	110.5	110.5
Other non-current assets	360.6	295.7	295.7	295.7	295.7
Total Non-current assets	609.7	532.4	526.8	522.7	519.9
Short-term Debt	74.6	239.3	259.3	279.3	299.3
Payables	381.0	225.7	140.8	127.3	131.9
Other Current Liabilities	135.8	121.2	121.2	121.2	121.2
Total Current Liabilities	591.3	586.3	521.4	527.9	552.5
Long-term Debt	81.7	77.1	77.1	77.1	77.1
Other non-current liabilities	305.5	291.4	291.4	291.4	291.4
Total Non-current Liabilities	387.2	368.5	368.5	368.5	368.5
Shareholder's equity	815.8	642.1	629.3	610.8	591.3
Non-controlling interest	92.9	90.8	102.6	114.5	126.4
Equity	908.6	732.8	732.0	725.3	717.7

Cash Flow

FYE Apr (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	483.7	221.5	90.8	125.0	130.5
Operating expenses	10.8	12.2	11.4	10.0	9.0
Changes in working capital	-178.0	48.2	164.5	-24.7	-14.1
Others	-114.3	-56.0	-23.6	-32.5	-33.9
Operating cash flow	202.2	225.8	243.1	77.8	91.5
Capex	-14.2	-9.9	-5.8	-6.0	-6.2
Others	-0.8	79.5	0.0	0.0	0.0
Investing cash flow	-15.0	69.6	-5.8	-6.0	-6.2
Dividend paid	-297.7	-344.8	-68.0	-99.1	-104.2
Others	-63.7	121.6	20.0	20.0	20.0
Financing cash flow	-361.4	-223.2	-48.0	-79.1	-84.2
Net cash flow	-174.2	72.2	189.3	-7.3	1.1
Forex	1.4	-3.3	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	537.6	364.8	433.7	623.0	615.7
Ending cash	364.8	433.7	623.0	615.7	616.8

Results Note

Friday, 12 Sep, 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

Disclaimer: The report is for internal and private circulation only and shall not be reproduced either in part or otherwise without the prior written consent of Apex Securities Berhad. The opinions and information contained herein are based on available data believed to be reliable. It is not to be construed as an offer, invitation or solicitation to buy or sell the securities covered by this report.

Opinions, estimates and projections in this report constitute the current judgment of the author. They do not necessarily reflect the opinion of Apex Securities Berhad and are subject to change without notice. Apex Securities Berhad has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

Apex Securities Berhad does not warrant the accuracy of anything stated herein in any manner whatsoever and no reliance upon such statement by anyone shall give rise to any claim whatsoever against Apex Securities Berhad. Apex Securities Berhad may from time to time have an interest in the company mentioned by this report. This report may not be reproduced, copied or circulated without the prior written approval of Apex Securities Berhad.

As of **Friday, 12 Sep, 2025**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.