Team Coverage
(603) 7890 8888
research.dept@apexsecurities.com.my

Recommendation:		BUY
Current Price:		RM0.31
Previous Target Price:		N/A
Target Price:	↑	RM0.51
Capital Upside/Downside:		64.5%
Dividend Yield (%):		2.5%
Total Upside/Downside		67.0%

Stock Information	
Board	ACE
Sector	Consumer Discretionary
Bursa / Bloomberg Code	0380 / AQUAWALK MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	1,843.0
Market Cap (RM' m)	571.3
Free float (%)	40.0

Top 3 Shareholders	(%)
Vestmap	41.2
Natur Feliz	5.3
Aquawalk Hldg Ltd	5.2

IPO Timetable	Date
Opening of IPO application	30/10/2025
Closing of IPO application	7/11/2025
Balloting of IPO application	11/11/2025
Allotment of IPO shares	18/11/2025
Listing of IPO on Bursa Malaysia	19/11/2025

Aquawalk Group Bhd

Swimming into New Waters

- **AQUAWALK (Aquawalk Group Bhd) is a leading developer and operator of public aquaria in Southeast Asia, owning and operating Aquaria KLCC in Malaysia and Aquaria Phuket in Thailand, and holding a 40% stake in Jakarta Aquarium & Safari (JAQS) in Indonesia.**
- **Core earnings are projected to grow to RM40.1m/RM46.9/RM53.3m in FY25F/FY26F/FY27F, at an FY24-27F CAGR of 13.6%, primarily driven by (i) higher visitorship supported by the Visit Malaysia 2026 initiative (ii) potential ticket price adjustments for Aquaria KLCC and (iii) contributions from ongoing upgrade and expansion plans.**
- **We initiate coverage on AQUAWALK with a BUY recommendation and TP of RM0.51, based on 20.0x FY26F EPS of 2.5 sen.**

Key Investment Highlights

Largest aquarium operator in Malaysia and Thailand. AQUAWALK is the largest player in both Malaysia and Thailand's aquarium industries, with Aquaria KLCC holding an estimated c.51% revenue share in Malaysia and Aquaria Phuket capturing 11–15% of the revenue share in Thailand. These flagship attractions are strategically located in high-traffic tourist areas, drawing more than 1m visitors annually with a balanced 50:50 mix of local and foreign visitors.

Visit Malaysia 2026 to Boost Tourism. Under the Visit Malaysia 2026 campaign, the government has allocated RM700m to support the tourism sector and introduced a special income tax relief of up to RM1,000 for entrance fees to local attractions, including marine parks. These measures aim to attract more international visitors and stimulate domestic spending. With enhanced promotional efforts anticipated in the lead-up to 2026, Aquaria KLCC is well positioned to capture rising tourist arrivals and drive earnings growth.

Room to Raise Ticket Prices. Aquaria KLCC's adult ticket prices of RM54–58 for locals and RM80–85 for foreigners remain significantly below regional peers such as the Singapore Oceanarium (SGD42–49, or RM134–156). While no further near-term price hikes are anticipated for Aquaria Phuket, the wide pricing gap between Aquaria KLCC and the Singapore Oceanarium highlights untapped revenue potential. Given the Group's high operating leverage, any uplift in ticket prices would translate directly into earnings. We estimate AQUAWALK could raise Aquaria KLCC's ticket prices by c.10% upon completion of the new penguin exhibit in 2HFY26.

Upgrade and Expansion Plans Underway. The Group has allocated RM12.2m and RM20.7m from its IPO proceeds to upgrade Aquaria KLCC and Aquaria Phuket, respectively. At Aquaria KLCC, upgrades include a new penguin exhibit targeted for 2HFY26, while Aquaria Phuket will undergo enhancements featuring an expanded aviary area by 2027 and star species additions such as seals, penguins and sand tiger sharks. Regionally, the Group is developing new aquariums in Java, Indonesia and Kota Kinabalu, targeted for completion by FY27 and FY28, with RM17.3m and RM39.6m of proceeds earmarked, respectively. The Java aquarium is being developed under a 60:40 joint venture with PTMBB, while the Kota Kinabalu aquarium is under a 60:40 joint venture with Qhazanah Sabah Berhad, supporting earnings visibility through and beyond FY28.

Earnings Outlook. We project AQUAWALK's CNP to grow to RM40.1m/RM46.9/RM53.3m in FY25F/FY26F/FY27F at an FY24-27F CAGR of 13.6%. Growth is expected to be driven by (i) higher visitorship supported by the Visit Malaysia 2026 initiative (ii) potential ticket price adjustments for Aquaria KLCC and (iii) contributions from ongoing upgrade and expansion plans.

Valuation and Recommendation. We initiate coverage on AQUAWALK with a **BUY** recommendation and a TP of **RM0.51**, based on an assigned 20.0x P/E multiple to its FY26F EPS of 2.5 sen. The assigned multiple represents an 18% discount to the 24.4x average forward P/E of selected local and foreign peers, which we view as appropriate given AQUAWALK's stronger profit margins and more attractive dividend yield, despite its smaller operating scale relative to global attractions operators.

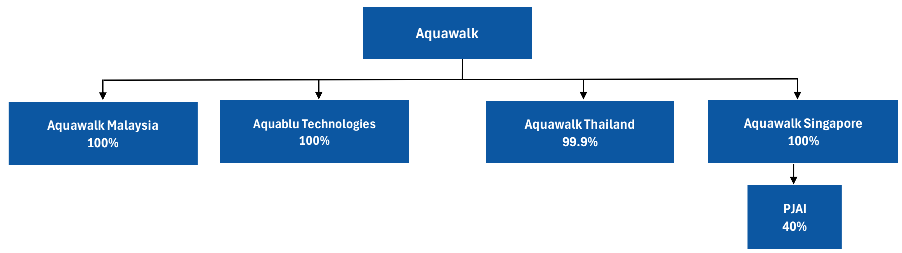
KDN PP13226/06/2024 (035469)

Company Background

AQUAWALK's history dates back to 2001, with the late Terence O' Boyle and Dato' Simon Foong spearheading the development and operation of public aquaria across Southeast Asia. Since then, AQUAWALK has evolved into a leading developer and operator of public aquaria in the region. The Group currently owns and operates the multi award-winning Aquaria KLCC in Malaysia and Aquaria Phuket in Thailand, and holds a 40% equity stake in JAQS, Indonesia.

Over the years, the Group has garnered multiple awards for its aquarium attractions, including recognition as one of the Top 5 Aquariums in Asia (TripAdvisor Travellers' Choice Awards 2014 for Aquaria KLCC) and the Thailand Tourism Silver Award for Learning and Doing Attraction in 2021 and 2023. The Group's subsidiary Aquablu Technologies also gained international presence with its appointment for the design, build and project management of Coral World Berlin's aquarium tank, completed in 2023, underscoring the Group's technical expertise and growing reputation.

Figure 1: Post-IPO Group Structure



Source: Company, Apex Securities

Business Overview

Business Model. AQUAWALK's operations comprise of two main business activities: (i) operations and development of the Group's own aquaria and (ii) design, development and maintenance of new or third-party aquaria. This dual-segment structure offers both recurring revenue from existing attractions and project-based income from external clients.

The Group's operations are characterised by a predominantly fixed-cost model, with key expenses including aquarium rental, maintenance and staffing remaining largely stable irrespective of visitor volumes. This cost structure results in high operating leverage, whereby incremental ticket sales flow through directly to the bottom line once fixed costs are covered. Based on our estimates, AQUAWALK's breakeven visitorship is relatively low, estimated at 200,000–300,000 annually, significantly below its current footfall. This highlights the scalability, earnings visibility and resilience inherent in its business model.

Figure 2: Business Model

Our Group's principal activities	Operations and development of our Group's own aquaria			Design, development and maintenance of new or third-party aquaria
Our Group's operations	**Ticketing sales**	**Retail sales**	**Miscellaneous sales**	**Design, development and maintenance**
	Aquaria KLCC and Aquaria Phuket • Sale of admission tickets to the respective aquaria • Operations and maintenance of aquaria to optimise visitor experience	**Third-party merchandise and photography packages** • Collaboration with third party vendors to provide aquaria-themed merchandise to visitors • Provision of photography at strategic spots to visitors	**Rental, F&B, fish food and concession sales** • Leasing of space to third-parties • Concessions for visitors during their visit in Aquaria • Sale of fish food to feed aquatic animals	• Provision of design, engineering, technical consultation and project management aquatic and zoological exhibits, integrated entertainment complexes and attractions • Provision of management, operational and maintenance services.
Customers	• Walk-in sales • Third-party platform and resellers • Online sales	• Walk-in sales	• Walk-in sales	• Aquatic and zoological exhibits • Integrated entertainment complexes • Private entities
Geographical market	• Malaysia for Aquaria KLCC • Thailand for Aquaria Phuket			• Malaysia • Thailand • Others[1]

Source: Company, prospectus

Operations and development of the Group's own aquaria (99.1% of FY24 revenue)

Aquaria KLCC is the Largest Revenue Contributor (77.7% of FY24 revenue). Located beneath the Kuala Lumpur Convention Centre and within walking distance of the Petronas Twin Towers, Aquaria KLCC is the largest aquarium in Malaysia, spanning 72,584 sq ft and housing approximately 5,000 aquatic species showcased through its iconic 90-metre underwater tunnel. In FY24, the attraction welcomed 1.3m visitors, marking its highest attendance since reopening post-pandemic (FY21: 0.4m). By comparison, its nearest competitor recorded only 0.4m visitors, underscoring Aquaria KLCC's dominant market position and strong brand pull. Going forward, we project Aquaria KLCC's visitorship to grow at a CAGR of c.3%, while ticketing sales are expected to grow at a CAGR of c.8% from FY24–FY27F.

Figure 3: The Flooded Forest at Aquaria KLCC

Source: Company, prospectus

Figure 4: The Living Ocean at Aquaria KLCC

Source: Company, prospectus

Aquaria Phuket is the Second Largest Revenue Contributor (21.4% of FY24 revenue). Located within the Central Phuket Floresta shopping mall at the heart of Phuket, Aquaria Phuket spans

103,843 sq ft of built-up area, making it 43% larger than Aquaria KLCC and the largest aquarium in Thailand. The attraction houses 6,000 aquatic and non-aquatic species, a 90-degree viewing tunnel and a fine-dining experience beside the main tank. In FY24, the attraction welcomed 0.3m visitors, up from 0.1m in FY21, marking a 365% post-pandemic recovery. In 2024, Aquaria Phuket is estimated to hold a market share of 11-15% in Thailand's aquarium industry. Looking ahead, we project visitorship to grow at a CAGR of c.5% and ticketing sales at c.8% from FY24–FY27F.

Figure 5: Coastal Haven at Aquaria Phuket

Source: Company, prospectus

Figure 6: South China Sea at Aquaria Phuket

Source: Company, prospectus

Ticketing Sales (81% of FY24 revenue). Ticketing sales is the Group's core revenue driver, essential for facility upkeep and exhibit enhancements. The Group employs a tiered pricing strategy based on visitor origin, day of visit and age category, enabling it to maximise average ticket yield across segments. Supported by the post-pandemic recovery in tourism, Aquaria KLCC's average ticket yield rose from RM39.28 in FY21 to RM49.76 in FY24, reflecting a 3-year CAGR of c.8%. Aquaria Phuket recorded an even stronger rebound, with yields improving from THB262 (RM32.67) to THB525 (RM68.60) over the same period, translating into a 3-year CAGR of c.28%. The Group also partners with travel agencies and online ticketing platforms to extend its sales reach, with its top five distribution partners contributing 20.0%, 21.7%, 28.6% and 24.2% of revenue from FY22 to 1HFY25.

Figure 7: Visitorship and Average Ticket Yields for Aquaria KLCC and Aquaria Phuket, FY21-FY27F

	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F
Aquaria KLCC							
Capacity	2,920,000	2,920,000	2,920,000	2,920,000	2,920,000	2,920,000	2,920,000
Utilisation Rate (%)	14.3%	33.9%	37.2%	44.3%	45.6%	47.0%	48.4%
No. of visitors	418,704	988,987	1,085,181	1,293,645	1,332,454	1,372,428	1,413,601
Growth		136.2%	9.7%	19.2%	3.0%	3.0%	3.0%
Blended Ticket Price (RM)	39.28	46.16	53.10	49.76	51.26	55.36	57.02
Growth		17.5%	15.0%	-6.3%	3.0%	8.0%	3.0%
Aquaria Phuket							
Capacity	4,380,000	4,380,000	4,380,000	4,380,000	4,380,000	4,380,000	4,380,000
Utilisation Rate (%)	1.4%	4.7%	6.5%	6.7%	7.0%	7.4%	7.8%
No. of visitors	61,466	206,065	285,829	293,533	308,210	323,620	339,801
Growth		235.3%	38.7%	2.7%	5.0%	5.0%	5.0%
Blended Ticket Price (RM)	32.68	52.26	70.88	68.68	70.74	72.86	75.05
Growth		59.9%	35.6%	-3.1%	3.0%	3.0%	3.0%

Source: Company, Apex Securities

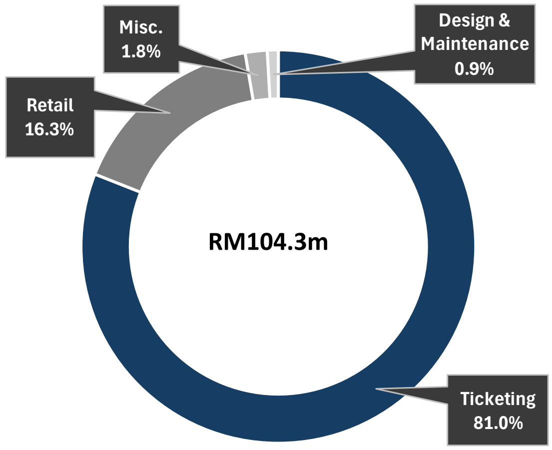
Retail Sales (16.3% of FY24 revenue). The Group partners with third-party operators to offer consignment sales of merchandise and photography services at its aquaria. These activities provide visitors with opportunities to create memorable experiences and enhance their overall visit. In FY24, retail sales accounted for 16.3% of the Group's total revenue.

Miscellaneous Sales (1.8% of FY24 revenue). Miscellaneous sales comprise ancillary income streams that maximise utilisation of the aquaria premises. These include rental income from leasing space to third-party operators, as well as concession and fish-food sales, which collectively accounted for 1.8% of the Group's revenue in FY24.

Design, development, maintenance of new or third-party aquaria (0.9% of FY24 revenue)

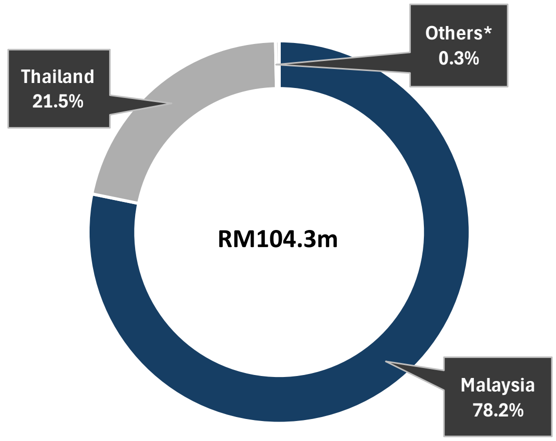
Aquablu Technologies was established to undertake the design, development and maintenance of new and third-party aquaria, encompassing design, specialised project management and technical consultancy services. The subsidiary provides these services to external clients as an independent revenue stream, while also supporting the Group's internal projects where required. Between FY21 and FY24, Aquablu Technologies completed 13 projects both locally and abroad, with a combined contract value of RM4.7m. As of FY24, it has two ongoing maintenance projects with a total contract value of RM0.4m and unbilled contract value of RM0.2m, contributing 0.9% of the Group's total revenue during the year.

Figure 8: Revenue by Business Activities (FY24)



Source: Company, Apex Securities

Figure 9: Revenue by Geographical Markets (FY24)



**Foreign project fees earned by Aquablu Technologies from United Arab Emirates, Germany and Indonesia*
Source: Company, Apex Securities

IPO Utilisation

AQUAWALK expects to raise RM114.3m from the IPO. The largest portion, 78.6% or RM89.7m, will be allocated to capital expenditure, mainly for the upgrade and expansion of the Group's existing aquaria as well as investments into constructing a new aquarium in Kota Kinabalu and Java, Indonesia. A further 12.7% or RM14.5m will be set aside for working capital requirements which are expected to increase in tandem with the Group's earnings growth. In addition, 6.1% or RM7.0m has been allocated for IT systems improvements, while the balance of 2.6% or RM3.0m will be utilised for listing expenses.

Figure 10: Utilisation of Proceeds

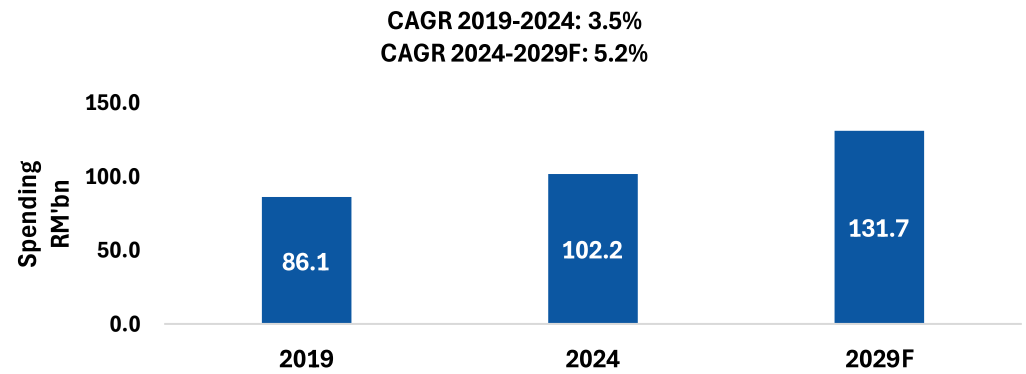
Details of Utilisation	Estimated time frame for utilisation	RM'm	(%)
Capital expenditure	Within 48 months	89.7	78.5%
IT systems improvements	Within 36 months	3.0	2.6%
Working capital	Within 36 months	14.5	12.7%
Estimated listing expenses	Within 1 month	7.0	6.1%
Total		**114.3**	**100.0%**

Source: Company, prospectus

Industry Overview

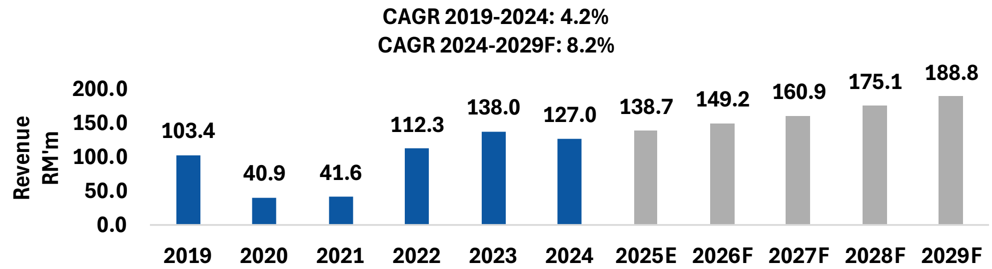
Malaysian Aquarium Industry: Recovering with Tourism Upswing. The Malaysian aquarium industry recorded steady growth prior to 2019, supported by rising tourism activity and demand for family-oriented leisure attractions. However, the COVID-19 pandemic in 2020–2021 severely disrupted the sector, as movement restrictions and the temporary closure of non-essential businesses led to a sharp decline in visitors. Recovery began in 2022 with the reopening of borders, the resumption of domestic and international tourism, and renewed interest in leisure and educational outings. Growth accelerated in 2023 before normalising in 2024, with international tourist arrivals reaching 25.0m, a significant rebound from just 0.1m in 2021. International visitor spending rose to RM102.2bn in 2024 and is projected to grow at a CAGR of 5.2% from 2024 to 2029. Meanwhile, domestic travel has also remained resilient due to its relative affordability compared to overseas trip. As part of the Visit Malaysia 2026 initiative, the government has allocated RM700m to boost tourism and introduced a special income tax relief of up to RM1,000 for entrance fees to local attractions, including marine parks. These measures are expected to further stimulate domestic tourism and support the recovery of the leisure sector. Supported by these positive tailwinds, the Malaysian aquarium industry is projected to grow at a CAGR of 8.2% from 2024 to 2029, with Aquaria KLCC well positioned to capture the industry's growth momentum.

Figure 11: International Visitors Spending in Malaysia, 2019–2029F



Source: Frost & Sullivan, Apex Securities

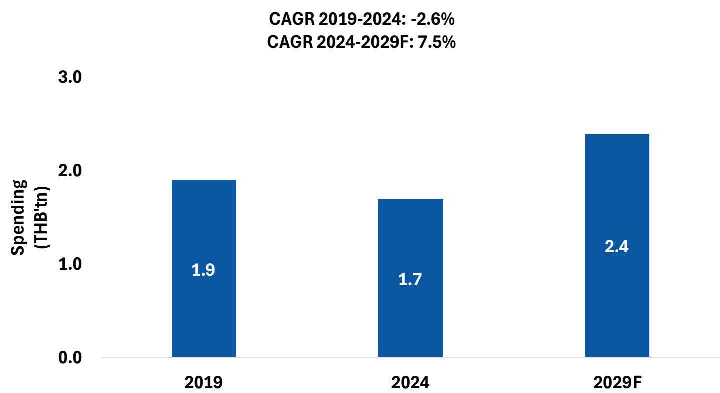
Figure 12: Market Size of Malaysian Aquariums, 2019–2029F



Source: Frost & Sullivan, Apex Securities

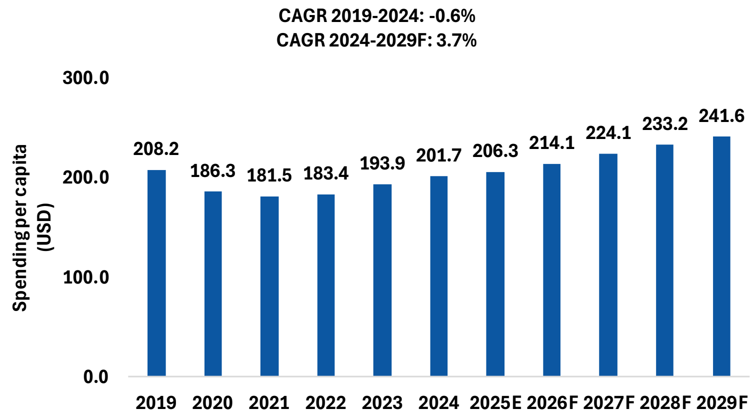
Thai Aquarium Industry: Supported by Government Tourism Initiatives. As one of the leading travel destinations in the Asia-Pacific region, Thailand welcomed 35.5m international tourists in 2024, up 26.3% YoY, contributing THB1.7tn in spending. International visitor expenditure is projected to grow at a CAGR of 7.5% from 2024 to 2029, supported by the Thai government's pro-tourism measures, including relaxed entry requirements for select countries and the permanent visa-free policy for Chinese visitors introduced in March 2024. Consumer spending in Thailand, including recreation and culture, is also expected to grow at a CAGR of 3.7% over 2024–2029 as the economy continues to recover, providing additional support for the country's attractions market. Looking ahead, expansion in the Thai aquarium industry will be supported by sustained growth in the tourism sector. Supported by these favourable trends, the Thai aquarium industry is expected to expand steadily over the medium term, with Aquaria Phuket well positioned to capture the industry's positive outlook.

Figure 13: International Visitors Spending in Thailand, 2019–2029F



Source: Frost & Sullivan, Apex Securities

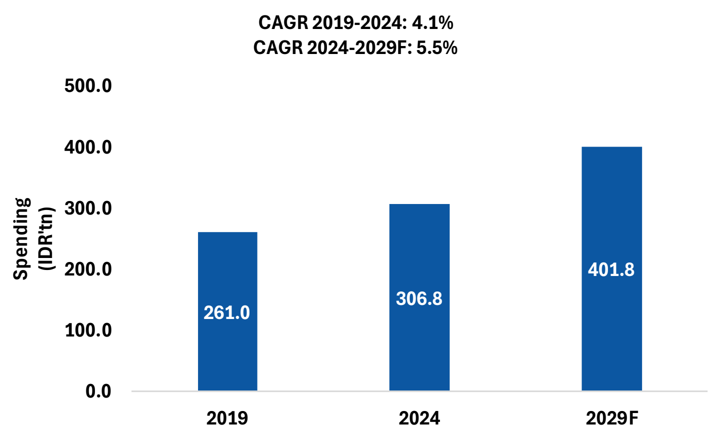
Figure 14: Consumer Spending Per Capita on Recreation and Culture in Thailand, 2019–2029F



Source: Frost & Sullivan, Apex Securities

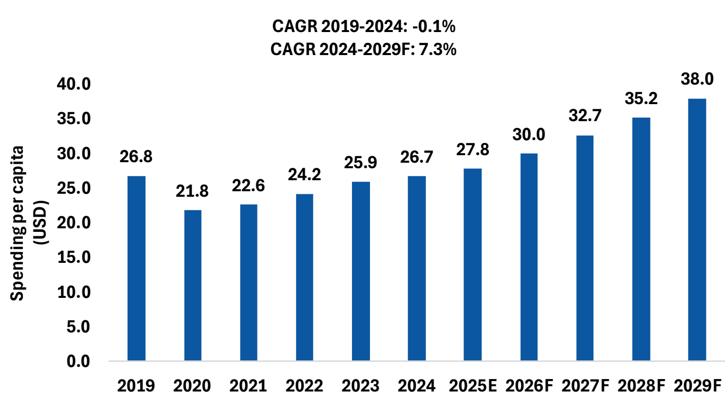
Indonesian Aquarium Industry: Rising Urbanisation to Spur Growth. The Indonesian aquarium industry was valued at an estimated IDR400bn–IDR550bn in 2024. That year, Indonesia received 13.9m foreign tourists, contributing IDR306.8tn in spending, projected to grow at a 5.5% CAGR through 2029. Domestic travel remains robust with 8.9m local tourist trips, providing a strong base for leisure attractions. Spending on recreation and cultural activities is also recovering to pre-pandemic levels, reaching USD25.9m in 2024 and expected to expand at a 7.3% CAGR. Industry growth is further supported by rapid urbanisation, improving transport infrastructure and the development of new urban centres. Against this backdrop, JAQS is well positioned to capture the sector's expansion.

Figure 15: International Visitors Spending in Indonesia, 2019–2029F



Source: Frost & Sullivan, Apex Securities

Figure 16: Consumer Spending Per Capita on Recreation and Culture in Indonesia, 2019–2029F



Source: Frost & Sullivan, Apex Securities

Investment Highlights

Largest aquarium operator in Malaysia and Thailand. AQUAWALK is the largest player in both Malaysia and Thailand's aquarium industries, with Aquaria KLCC holding an estimated c.51% revenue share in Malaysia and Aquaria Phuket capturing 11–15% of the revenue share in Thailand. These flagship attractions are strategically located in high-traffic tourist areas, drawing more than 1m visitors annually with a balanced 50:50 mix of local and foreign visitors.

Visit Malaysia 2026 to Boost Tourism. As part of the Visit Malaysia 2026 campaign, the government has allocated RM700m to boost the tourism sector, alongside a special income tax relief of up to RM1,000 for entrance fees to local attractions, including marine parks. These initiatives aim to revitalise Malaysia's tourism landscape, attract more international arrivals and encourage greater domestic travel spending. With enhanced promotional efforts anticipated in the lead-up to 2026, Aquaria KLCC is well positioned to capture rising tourist arrivals and drive revenue growth.

Room to Raise Ticket Prices. The Group typically revises its ticket prices every three years. The most recent adjustments for Aquaria KLCC were made in October 2025, with 3.9–6.7% increases for adult tickets, while Aquaria Phuket raised prices by 17–18% in 1H25. Although no further near-term price hikes are anticipated for Phuket, current adult ticket prices at Aquaria KLCC range from RM54–58 for locals and RM80–85 for foreigners, which remain significantly below regional peers such as the Singapore Oceanarium (SGD42–49, or approximately RM134–156). This wide pricing gap highlights untapped pricing potential. Given its high operating leverage, incremental ticket revenue would flow directly to the bottom line. We estimate that AQUAWALK may raise Aquaria KLCC's ticket prices by c.10% upon completion of the new penguin exhibit by 2HFY26.

Upgrade and Expansion Plans Underway. To attract a broader audience and enhance visitor experience, AQUAWALK has allocated RM12.2m and RM20.7m from its IPO proceeds to upgrade Aquaria KLCC and Aquaria Phuket, respectively. Both sites will undergo general improvements, back-of-house (BOH) upgrades and the introduction of new species exhibits. Aquaria KLCC will feature a new penguin exhibit targeted for completion by 2HFY26, while Aquaria Phuket will introduce star species such as seals, penguins and sand tiger sharks, alongside an expanded aviary area by FY27. These enhancements are expected to increase visitor traffic and boost ticketing sales upon completion.

The Group also plans to expand within Southeast Asia, beginning with a new aquarium in Java, Indonesia, developed under a 60:40 JV with PTMBB, an Indonesian developer of a leading recreational theme park complex. The Java aquarium is expected to span approximately 40,000 sq ft with a daily capacity of 8,000 visitors. The project has an estimated total cost of RM28.8m, of which AQUAWALK's 60% share amounts to RM17.3m, funded entirely from its IPO proceeds allocated for this project. Completion is targeted by FY27.

Another project is planned in Kota Kinabalu, under a 60:40 JV with Qhazanah Sabah Berhad, the investment arm of the State Government of Sabah. The Kota Kinabalu aquarium will be 45% larger than the Java unit, covering approximately 58,000 sq ft with a daily capacity of 8,000 visitors. The project carries an estimated total cost of RM70.5m, with AQUAWALK's 60% share amounting to RM42.3m, to be funded from RM39.6m allocated under the Group's IPO proceeds. Completion is targeted by FY28. Qhazanah will support the project through local facilitation and statutory approvals, while Aquawalk Malaysia will oversee the design, construction and future operations of the oceanarium.

These ongoing upgrades and regional expansion plans are expected to drive visitor growth and boost ticketing sales, providing strong earnings visibility through and beyond FY28 as new attractions come onstream. The Group's operations are further supported by long-term leases, with Aquaria KLCC secured under a 12+12-year lease (1 May 2025-30 April 2037) and Aquaria Phuket under a 25+25-year lease (24 August 2019-23 August 2044), ensuring long-term operational stability and continuity.

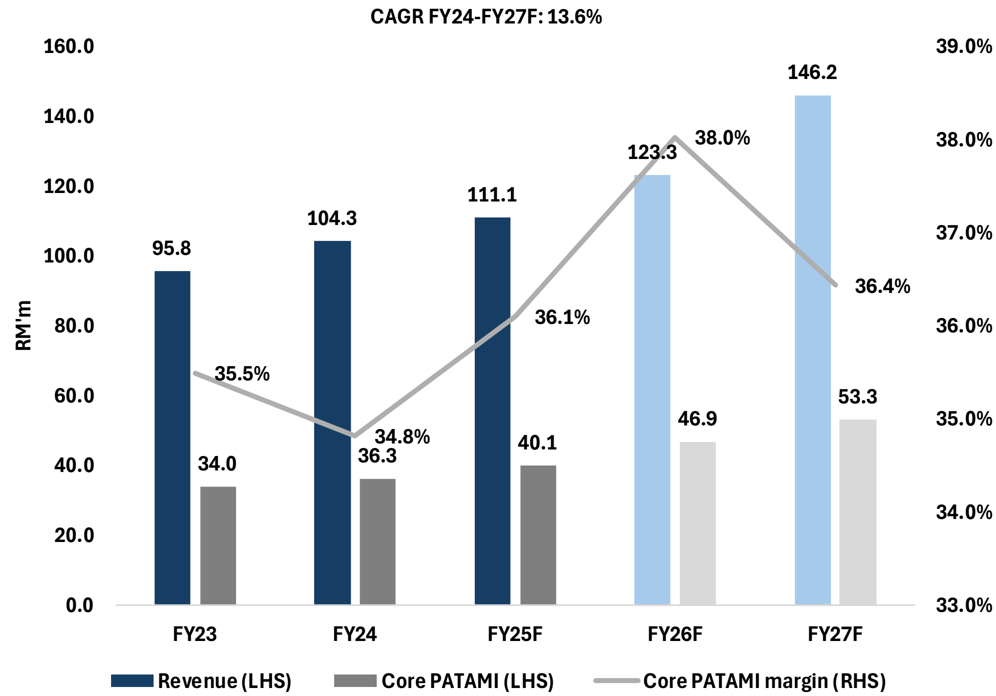
Commitment to Marine Conservation and Education. AQUAWALK promotes marine conservation and education through ongoing breeding, research and preservation efforts. It has successfully bred bamboo sharks, eagle rays and jellyfish as part of its conservation initiatives. The Group also collaborates with Thailand's Chulalongkorn University on aquatic veterinary research and with the Ministry of Education Malaysia on education and research programmes—a partnership that officially recognises Aquaria KLCC as an external learning facility within the national education curriculum. The Coral Conservation Campaign with Universiti Malaysia Terengganu further demonstrates its commitment to marine ecosystem preservation. Collectively, these efforts reinforce AQUAWALK's position as a regional leader in marine conservation and education.

Financial Highlights

Record Profit Since Post Pandemic Reopening. AQUAWALK delivered a core net profit (CNP) of RM36.3m in FY24, the highest since its reopening after the COVID-19 pandemic, translating into a 2-year CAGR of 46.7%. The strong performance was underpinned by steady growth in ticketing sales and visitorship across its aquaria. CNP margin was exceptional and remained stable at c.35% in FY24, consistent over the past two years, as the Group's largely fixed cost base provides strong operating leverage. We expect margins to remain stable through FY25–FY27F. Seasonality remains a factor, with 1H24 contributing c.39% of full-year CNP, while 2H typically benefits from the holiday-driven surge in tourist arrivals. In 1H25, CNP rose c.11% YoY to RM15.7m, and we anticipate a stronger 2H25, supported by peak tourism activity and year-end demand.

Earnings Outlook. Going forward, we project AQUAWALK's CNP to grow to RM40.1m/RM46.9/RM53.3m in FY25F/FY26F/FY27F at an FY24-27F CAGR of 13.6%. Growth is expected to be driven by (i) higher visitorship supported by the Visit Malaysia 2026 initiative (ii) potential ticket price adjustments for Aquaria KLCC and (iii) contributions from ongoing upgrade and expansion plans. Additionally, the new aquarium in Java, Indonesia is expected to contribute c.RM2.8m to CNP in FY27F, and together with the new Kota Kinabalu aquarium they are projected to collectively contribute c.RM7.3m to CNP in FY28F.

Figure 17: Revenue, earnings and margin from FY23 to FY27F



Source: Company, Apex Securities

Healthy Balance Sheet. The Group maintained a net cash position of RM27.4m in FY24, which increased to RM35.1m in 1H25. While the Group will incur expenses related to its upgrade and expansion plans, the RM114.3m in IPO proceeds, largely earmarked for CAPEX spending, provides ample funding flexibility. With both short and long-term borrowings fully repaid as of 9MFY25, we expect AQUAWALK's balance sheet to remain healthy post-IPO, supporting future growth initiatives.

Dividends. The Group has a policy of paying out at least 30% of net profit as dividends, starting from FY25 onwards. The Group did not declare any dividends prior to FY24, when it recorded a minimal payout ratio of c.0.2% for the year. Backed by solid earnings visibility, we project payouts of 30% from FY25F to FY27F, translating into dividend yields of 2–3% based on its IPO price of RM0.31. These distributions are supported by the Group's strong net cash position, ensuring sustainability and consistent shareholder returns.

Valuation & Recommendation

Valuation and Recommendation. We initiate coverage on AQUAWALK with a **BUY** recommendation and a TP of **RM0.51**, based on an assigned 20.0x P/E multiple to its FY26F EPS of 2.5 sen. The assigned multiple represents an 18% discount to the 24.4x average forward P/E of selected local and foreign peers, which we view as appropriate given AQUAWALK's stronger profit margins and more attractive dividend yield, despite its smaller operating scale relative to global attractions operators.

Building on this, we favour AQUAWALK for its leadership in the Southeast Asian aquarium industry, backed by proven expertise in the design, operation and maintenance of both its own and third-party aquarium facilities, as well as its ambitious expansion plans in the region. The investment case is further supported by a solid balance sheet with a net cash position of RM27.4m as of FY24, an undemanding FY26F P/E of 12.2x and exceptional CNP margins at c.35%.

Peers Comparison

Figure 18: Comparative Valuation of Local and Foreign Consumer Peers

Company	Market Cap (RM'm)	Share Price as at 17 Nov 25	Target Price	Potential Upside	P/E (x)		EPS Growth (%)		Net Margin (%)		Dividend Yield		ESG Rating
					FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	
Aquawalk Group Bhd	**571.3**	**0.31**	**0.51**	**64.5%**	**14.2**	**12.2**	**10.4%**	**16.9%**	**36.1%**	**38.0%**	**2.1%**	**2.5%**	**N/A**
Local													
Oriental Kopi Group Bhd	2520.0	1.29	1.26	-2.3%	42.0	30.3	42.4%	38.7%	14.2%	14.9%	0.7%	1.0%	★★★
Foreign													
United Parks & Resorts Inc*	7111.7	USD 31.28	USD 46.9	50.0%	9.5	7.9	-20.5%	16.0%	10.8%	12.3%	0.0%	0.0%	N/A
Oriental Land Co Ltd*#	145720.3	JPY 2998.5	JPY 3823.7	27.5%	39.7	35.0	-0.3%	12.4%	17.4%	18.2%	0.5%	0.6%	N/A
Simple Average (ex-Aquawalk Group Bhd)					**30.4**	**24.4**	**7.2%**	**22.4%**	**14.1%**	**15.1%**	**0.4%**	**0.5%**	

**Forecast data denotes Bloomberg consensus estimates*
#FY26/FY27
Source: Bloomberg, Apex Securities

Investment Risk

Failure to secure new strategic locations and lease renewals. The lack of suitable sites for new aquarium developments may constrain the Group's long-term growth prospects, while the non-renewal of existing leases could result in the loss of revenue.

Revocation of licenses and permits. Failure to obtain or renew the necessary licences and permits for the possession, exhibition, import or export of animals could disrupt or suspend the Group's operations, resulting in potential revenue loss.

High Fixed Cost Structure May Pressure Margins. The Group's aquarium operations carry a high fixed cost structure, which may lead to margin compression if revenue declines and cost-optimisation measures prove insufficient.

Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	**95.8**	**104.3**	**111.1**	**123.3**	**146.2**
Gross Profit	**54.9**	**59.4**	**60.0**	**69.1**	**80.7**
EBITDA	**56.8**	**60.8**	**63.6**	**71.9**	**83.4**
Depreciation & Amortisation	-11.3	-11.8	-14.4	-14.7	-16.9
EBIT	**45.5**	**49.0**	**49.2**	**57.2**	**66.5**
Net Finance Income/ (Cost)	-6.0	-4.3	-4.0	-3.6	-2.6
Associates & JV	3.8	5.4	5.8	6.2	6.6
Pre-tax Profit	**43.3**	**50.1**	**51.0**	**59.8**	**70.5**
Tax	-9.4	-4.5	-10.8	-12.9	-15.3
Profit After Tax	**33.8**	**45.6**	**40.1**	**46.9**	**55.1**
(-) Minority Interest	0.0	0.0	0.0	0.0	1.9
Net Profit	**33.8**	**45.6**	**40.1**	**46.9**	**53.3**
(-) Exceptionals	-0.2	9.3	0.0	0.0	0.0
Core Net Profit	**34.0**	**36.3**	**40.1**	**46.9**	**53.3**

Key Ratios

FYE Dec	FY23	FY24	FY25F	FY26F	FY27F
Revenue Growth (%)	33.3%	8.9%	6.5%	11.0%	18.5%
CNP Growth (%)	101.5%	6.8%	10.4%	16.9%	13.5%
Core EPS (sen)	1.8	2.0	2.2	2.5	2.9
P/E (x)	16.8	15.7	14.2	12.2	10.7
P/B (x)	4.5	6.4	2.1	1.9	1.7
EV/EBITDA (x)	9.3	8.9	6.1	5.2	4.2
DPS (sen)	0.1	0.1	0.7	0.8	0.9
Dividend Yield (%)	0.3%	0.2%	2.1%	2.5%	2.8%
EBITDA margin (%)	59.3%	58.3%	57.3%	58.3%	57.1%
EBIT margin (%)	47.5%	47.0%	44.3%	46.3%	45.5%
PBT margin (%)	45.1%	48.1%	45.9%	48.5%	48.2%
PAT margin (%)	35.3%	43.7%	36.1%	38.0%	37.7%
NP margin (%)	35.3%	43.7%	36.1%	38.0%	36.4%
CNP margin (%)	35.5%	34.8%	36.1%	38.0%	36.4%
ROE (%)	26.6%	40.9%	14.9%	15.5%	15.6%
ROA (%)	13.0%	18.1%	10.5%	11.3%	11.5%
Gearing (%)	14.4%	8.7%	0.0%	0.0%	0.0%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Valuations	FY26F
Core EPS (RM)	0.025
P/E multiple (x)	20.0
Fair Value (RM)	**0.51**
ESG premium/discount	0.0%
Implied Fair Value (RM)	**0.51**

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Cash	61.3	35.2	183.3	198.5	222.8
Receivables	22.4	10.8	11.5	12.8	15.2
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	8.2	0.7	0.7	0.7	0.7
Total Current Assets	**91.8**	**46.7**	**195.6**	**212.1**	**238.7**
Fixed Assets	91.2	83.7	78.6	102.0	126.8
Intangibles	0.1	0.0	0.0	0.0	0.0
Other non-current assets	77.7	69.9	106.5	101.6	95.7
Total Non-Current Assets	**169.0**	**153.6**	**185.1**	**203.6**	**222.5**
Short-term debt	10.6	7.7	0.0	0.0	0.0
Payables	29.2	28.1	35.0	37.1	44.8
Other current liabilities	13.7	9.9	10.0	9.9	9.7
Total Current Liabilities	**53.4**	**45.7**	**45.0**	**47.1**	**54.6**
Long-term debt	7.9	0.0	0.0	0.0	0.0
Other non-current liabilities	71.5	65.9	66.1	66.2	65.0
Total Non-Current Liabilities	**79.4**	**65.9**	**66.1**	**66.2**	**65.0**
Shareholder's equity	130.1	91.3	272.2	305.0	342.3
Minority interest	0.0	0.0	0.0	0.0	1.9
Exchange translation reserve	-2.1	-2.5	-2.5	-2.5	-2.5
Total Equity	**128.0**	**88.7**	**269.7**	**302.5**	**341.7**

Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Pre-tax profit	**43.3**	**50.1**	**51.0**	**59.8**	**70.5**
Depreciation & amortisation	11.3	11.8	14.4	14.7	16.9
Changes in working capital	-4.3	-2.1	6.2	0.9	5.3
Others	-12.0	-17.8	-6.9	-9.3	-12.7
Operating cash flow	**38.4**	**42.0**	**64.6**	**66.1**	**80.0**
Net capex	-1.5	-2.6	-5.5	-33.3	-35.8
Others	-2.4	36.5	-39.3	1.2	2.1
Investing cash flow	**-3.9**	**33.9**	**-44.8**	**-32.1**	**-33.7**
Dividends paid	0.0	-84.5	-12.0	-14.1	-16.0
Others	-13.5	-17.2	140.4	-4.7	-6.1
Financing cash flow	**-13.5**	**-101.7**	**128.4**	**-18.8**	**-22.1**
Net cash flow	**21.0**	**-25.8**	**148.2**	**15.2**	**24.2**
Forex	0.7	-0.4	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash & cash equivalent	37.3	58.9	32.7	180.9	196.1
Ending cash & cash equivalent	58.9	32.7	180.9	196.1	220.4
Fixed deposits with licensed banks	2.4	2.4	2.4	2.4	2.4
Total cash & deposits	**61.3**	**35.2**	**183.3**	**198.5**	**222.8**

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 + dividend yield

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

As of **Tuesday, 18 Nov, 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.