

Research Team

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| | |
|-------------------------------|--------------|
| Recommendation: | BUY |
| Current Price: | RM0.16 |
| Previous Target Price: | RM0.37 |
| Target Price: | ↓ RM0.27 |
| Capital Upside/Downside: | 68.8% |
| Dividend Yield (%): | 16.3% |
| Total Upside/Downside: | 85.0% |

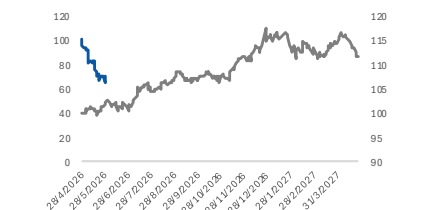
Stock information

| | |
|--------------------------|--------------------|
| Board | ACE |
| Sector | Consumer |
| Bursa / Bloomberg Code | 0380 / AQUAWALK MK |
| Syariah Compliant | Yes |
| ESGRating | ★★★ |
| Shares issued (m) | 1,843.0 |
| Market Cap (RM' m) | 294.9 |
| 52-Week Price Range (RM) | 0.45-0.145 |
| Beta (x) | N/A |
| Freefloat (%) | 49.5 |
| 3M Average Volume (m) | 7.1 |
| 3M Average Value (RM' m) | 1.6 |

Top 3 Shareholders (%)

| | |
|---------------------|------|
| Vestmap | 41.2 |
| Feliz Natur Sdn Bhd | 5.0 |
| NorgesBank | 5.0 |

Share Price Performance



| | 1M | 3M | 12M |
|--------------|-------|-------|-----|
| Absolute (%) | -25.6 | -43.9 | N/A |
| Relative (%) | -23.9 | -42.9 | N/A |

Earnings Summary

| FYE Dec (RM m) | FY25 | FY26F | FY27F |
|------------------|------|-------|-------|
| Revenue (RM'm) | 25.3 | 116.1 | 135.8 |
| PATAMI (RM'm) | 6.0 | 37.0 | 41.4 |
| CNP (RM'm) | 8.5 | 37.0 | 41.4 |
| EPS - core (sen) | 0.0 | 2.0 | 2.2 |
| P/E(x) | 13.0 | 12.9 | 11.6 |

Source: Company, Apex Securities

Aquawalk Group Bhd

Within Expectations

- **AQUAWALK's 1QFY26 core net profit came in at RM8.5m (+11.5% QoQ), accounting for 23% of our full-year forecast and broadly in line with expectations.**
- **We fine-tune our FY26F/FY27F/FY28F earnings forecasts by -2.1%/-1.0%/-3.0% to RM37.0m/RM41.4m/RM35.7m following the incorporation of FY25 annual report figures.**
- **Consequently, we maintain our BUY recommendation with a lower of TP RM0.27 (from RM0.37) based on 12.0x FY27F EPS of 2.2sen (from 18.0x FY26F EPS of 2.0sen).**

Results within expectations. After adjusting for an unrealised forex loss of (+RM2.5m) AQUAWALK's 1QFY26 core net profit came in at RM8.5m (+11.5% QoQ). The results were within our expectations, accounting for 23% of our full-year forecast.

Dividend. No dividend was declared for 1QFY26 (FY25 DPS: 1.0sen). Management reiterated its minimum dividend payout policy of 30%.

QoQ. Revenue declined 15.2% QoQ to RM25.3m due to seasonally softer visitor traffic following the peak year-end holiday period in 4QFY25. Nevertheless, higher visitor yields from recent ticket price revisions and resilient operating margins helped offset the impact of lower footfall. Excluding the RM2.5m unrealised forex loss, core net profit increased 11.5% QoQ to RM8.5m.

YoY. No meaningful YoY comparison is available as AQUAWALK was listed in November 2025.

Outlook. We remain positive on Aquawalk's growth prospects, supported by ongoing yield enhancement initiatives, new attraction launches and regional expansion plans. Management expects visitor traffic to improve progressively through 2HFY26, underpinned by school holidays, long weekends and Visit Malaysia 2026 promotional activities. At Aquaria KLCC, Discovery Zone 6 is scheduled to commence operations in August 2026 and is expected to drive incremental visitor spending through a separately ticketed interactive experience. This will be followed by the launch of the Penguin Tank attraction, targeted by end-FY26 or early-FY27, which management expects to support a further uplift in ticket yields. In Thailand, the Group plans to launch the Immersive Art Studio in 3QFY26, expanding its experiential offerings and enhancing visitor engagement. Meanwhile, Aquawalk's longer-term growth will be driven by its new oceanarium project at Jawa Timur Park, Indonesia, which is expected to be completed by end-2027. Management targets approximately 300k visitors and RM11m revenue in its first year of operations, supported by access to the theme park's existing annual footfall of 2-4m visitors. With RM166m cash and no borrowings, all announced projects are fully funded by existing IPO proceeds, providing ample capacity to execute its expansion pipeline while maintaining dividend flexibility.

Earnings Revision. Following the incorporation of FY25 annual report figures, we fine-tune our FY26F/FY27F/FY28F earnings forecasts by -2.1%/-1.0%/-3.0% to RM37.0m/RM41.4m/RM35.7m (from RM37.8m/RM41.8m/RM36.8m), mainly to reflect updated operating assumptions and annual report disclosures.

Valuation and Recommendation. We maintain our **BUY** call on AQUAWALK with a lower TP of **RM0.27** (from RM0.37) after rolling forward our valuation base to FY27F. Our TP is based on 12.0x FY27F EPS of 2.2sen (from 18.0x FY26F EPS of 2.0sen). The applied multiple represents a 24% discount to the peer average forward PE of 15.7x, reflecting our cautious view on the sustainability of earnings growth, given the Group's reliance on ticket yield improvements amid relatively muted visitor volume growth, as well as execution risks associated with its ongoing expansion projects. Nevertheless, we remain positive on AQUAWALK's long-term growth prospects, supported by (i) earnings growth catalysts from Discovery Zone 6, the upcoming Penguin Tank attraction and the Immersive Art Studio in Phuket, (ii) improved visitor yields through selective ticket price adjustments and new experiential offerings, and (iii) future earnings contributions from its Indonesia oceanarium project.

Risks. Failure to secure new strategic locations and lease renewals, revocation of licenses & permits and high fixed cost structure that may pressure margins.

Results Comparison

| FYE Dec (RM m) | 1QFY26 | 1QFY25 | yoy (%) | 4QFY25 | qoq (%) | 3MFY26 | 3MFY25 | yoy (%) | Comments |
|---|-------------|------------|------------|-------------|---------------|-------------|------------|------------|----------|
| Revenue | 25.3 | N/A | N/A | 29.8 | (15.2) | 25.3 | N/A | N/A | |
| COGS | (10.6) | N/A | N/A | (10.9) | (3.1) | (10.6) | N/A | N/A | |
| Gross Profit | 14.7 | N/A | N/A | 18.9 | (22.2) | 14.7 | N/A | N/A | |
| Other Income | 0.6 | N/A | N/A | 0.8 | (26.1) | 0.6 | N/A | N/A | |
| Other Operating Expenses | (6.9) | N/A | N/A | (8.9) | (23.0) | (6.9) | N/A | N/A | |
| Net gain on impairment of financial instruments | - | N/A | N/A | 0.0 | (100.0) | - | N/A | N/A | |
| Core EBIT | 8.4 | N/A | N/A | 10.7 | (22.0) | 8.4 | N/A | N/A | |
| Share of profit in an associate | 0.8 | N/A | N/A | 0.1 | 1,449.1 | 0.8 | N/A | N/A | |
| Finance Income | 0.7 | N/A | N/A | 0.5 | 22.5 | 0.7 | N/A | N/A | |
| Finance Costs | (1.7) | N/A | N/A | (1.7) | (1.8) | - | N/A | N/A | |
| Listing Expenses | - | N/A | N/A | (1.1) | - | - | N/A | N/A | |
| Pre-tax profit | 8.2 | N/A | N/A | 8.5 | (4.1) | 8.2 | N/A | N/A | |
| Tax | (2.2) | N/A | N/A | (2.2) | 0.4 | (2.2) | N/A | N/A | |
| Profit After Tax | 6.0 | N/A | N/A | 6.3 | (5.6) | 6.0 | N/A | N/A | |
| (-) Minority Interest | - | N/A | N/A | - | - | - | N/A | N/A | |
| Net Profit | 6.0 | N/A | N/A | 6.3 | (5.6) | 6.0 | N/A | N/A | |
| Core Net Profit | 8.5 | N/A | N/A | 7.6 | 11.5 | 8.5 | N/A | N/A | |
| Core EPS (sen) | - | N/A | N/A | 0.4 | (100.0) | - | N/A | N/A | |
| Gross profit margin (%) | 58.1 | N/A | | 63.3 | | 58.1 | N/A | | |
| Core EBIT margin (%) | 33.2 | N/A | | 36.0 | | 33.2 | N/A | | |
| PBT margin (%) | 32.2 | N/A | | 28.5 | | 32.2 | N/A | | |
| Effective tax rate (%) | 26.7 | N/A | | 25.5 | | 26.7 | N/A | | |
| Core net profit margin (%) | 33.4 | N/A | | 25.4 | | 33.4 | N/A | | |

Source: Company, Apex Securities

Figure 1: Peers Comparison

| Company | Market Cap (RM'm) | Share Price as at 29 May 2026 | Target Price | Potential Upside | P/E (x) | | P/B(x) | | Dividend Yield | | ESG Rating |
|---|-------------------|-------------------------------|--------------|------------------|-------------|-------------|--------------|--------------|----------------|-------------|------------|
| | | | | | FY26 | FY27 | FY26 | FY27 | FY26 | FY27 | |
| Aquawalk Group Bhd | 479.2 | 0.16 | 0.27 | 68.8% | 12.9 | 11.6 | 1.9 | 1.7 | 2.6% | 2.2% | ★★★ |
| Foreign | | | | | | | | | | | |
| Compagnie Des Alpes* | 5246.1 | USD 22.35 | N/A | N/A | 9.3 | 9.2 | 1.0 | 1.0 | 5.4% | 5.7% | N/A |
| United Parks & Resorts Inc* | 7498.7 | USD 40.13 | N/A | N/A | 11.1 | 9.6 | N/A | N/A | 0.5% | 0.0% | N/A |
| Oriental Land Co Ltd*# | 102915.8 | JPY 2295.5 | N/A | N/A | 30.9 | 28.5 | 3.2% | 3.2% | 0.7% | 0.8% | N/A |
| Simple Average (ex-Aquawalk Group Bhd) | | | | | 17.1 | 15.8 | 51.6% | 51.6% | 2.2% | 2.2% | |

*Forecast data denotes Bloomberg consensus estimates

#FY27/FY28

Source: Bloomberg, Apex Securities

Financial Highlights

Income Statement

| FYE Dec (RM m) | FY24 | FY25 | FY26F | FY27F | FY28F |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | 103.2 | 111.3 | 116.1 | 135.8 | 143.7 |
| Gross Profit | 58.3 | 67.5 | 65.5 | 75.3 | 70.3 |
| EBITDA | 54.2 | 67.0 | 61.7 | 70.2 | 66.5 |
| Depreciation & Amortisation | -13.2 | -12.7 | -13.4 | -15.1 | -17.5 |
| EBIT | 41.0 | 54.2 | 48.3 | 55.1 | 49.0 |
| Net Finance Income/ (Cost) | -6.0 | -8.0 | -3.5 | -2.8 | -3.7 |
| Associates & JV | 5.4 | 2.1 | 3.0 | 3.2 | 3.3 |
| Pre-tax Profit | 40.4 | 48.3 | 47.8 | 55.6 | 48.6 |
| Tax | -4.5 | -9.5 | -10.7 | -12.6 | -10.9 |
| Profit After Tax | 35.9 | 38.8 | 37.0 | 43.0 | 37.8 |
| (-) Minority Interest | 1.5 | 0.6 | 0.0 | 1.6 | 2.0 |
| Net Profit | 34.4 | 38.3 | 37.0 | 41.4 | 35.7 |
| (-) Exceptionals | -9.6 | 1.5 | 0.0 | 0.0 | 0.0 |
| Core Net Profit | 44.0 | 36.8 | 37.0 | 41.4 | 35.7 |

Key Ratios

| FYE Dec | FY24 | FY25 | FY26F | FY27F | FY28F |
|--------------------|----------|----------|----------|----------|----------|
| Revenue Growth (%) | 7.7% | 7.8% | 3.9% | 17.0% | 5.8% |
| CNP Growth (%) | 29.4% | -16.4% | 3.6% | 11.7% | -13.6% |
| Core EPS (sen) | 2.4 | 2.0 | 2.0 | 2.2 | 1.9 |
| P/E (x) | 10.9 | 13.0 | 12.9 | 11.6 | 13.4 |
| P/B (x) | 5.7 | 2.1 | 1.9 | 1.7 | 1.5 |
| EV/EBITDA (x) | 8.3 | 4.5 | 5.0 | 4.2 | 4.1 |
| DPS (sen) | 0.1 | 0.0 | 0.6 | 0.7 | 0.6 |
| Dividend Yield (%) | 0.2% | 0.0% | 2.3% | 2.6% | 2.2% |
| EBITDA margin (%) | 52.5% | 60.1% | 53.2% | 51.7% | 46.3% |
| EBIT margin (%) | 39.8% | 48.7% | 41.6% | 40.6% | 34.1% |
| PBT margin (%) | 39.1% | 43.4% | 41.2% | 40.9% | 33.8% |
| PAT margin (%) | 34.8% | 34.9% | 31.9% | 31.7% | 26.3% |
| NP margin (%) | 33.3% | 34.4% | 31.9% | 30.5% | 24.9% |
| CNP margin (%) | 42.6% | 33.0% | 31.9% | 30.5% | 24.9% |
| ROE (%) | 52.5% | 15.8% | 14.3% | 14.3% | 11.3% |
| ROA (%) | 22.6% | 9.8% | 9.2% | 9.5% | 7.6% |
| Gearing (%) | 9.2% | 0.0% | 0.0% | 0.0% | 0.0% |
| Net gearing (%) | Net Cash | Net Cash | Net Cash | Net Cash | Net Cash |

Valuations

| | FY27F |
|--------------------------------|-------------|
| Core EPS (RM) | 0.022 |
| P/E multiple (x) | 12.0 |
| Fair Value (RM) | 0.27 |
| ESG premium/discount | 0.0% |
| Implied Fair Value (RM) | 0.27 |

Source: Company, Apex Securities

Balance Sheet

| FYE Dec (RM m) | FY24 | FY25 | FY26F | FY27F | FY28F |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Cash | 35.2 | 180.9 | 169.7 | 184.3 | 212.1 |
| Receivables | 5.1 | 4.2 | 4.3 | 5.0 | 5.3 |
| Inventories | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other current assets | 0.7 | 0.7 | 20.5 | 20.5 | 20.5 |
| Total Current Assets | 41.0 | 185.8 | 194.5 | 209.8 | 237.9 |
| Fixed Assets | 83.7 | 78.0 | 102.3 | 128.8 | 140.7 |
| Intangibles | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other non-current assets | 69.9 | 109.7 | 104.5 | 98.8 | 93.2 |
| Total Non-Current Assets | 153.6 | 187.6 | 206.9 | 227.6 | 233.8 |
| Short-term debt | 7.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payables | 27.3 | 25.3 | 27.8 | 33.2 | 40.3 |
| Other current liabilities | 9.9 | 15.6 | 16.1 | 16.0 | 16.1 |
| Total Current Liabilities | 44.9 | 41.0 | 43.8 | 49.2 | 56.4 |
| Long-term debt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other non-current liabilities | 65.9 | 99.0 | 99.1 | 99.2 | 99.3 |
| Total Non-Current Liabilities | 65.9 | 99.0 | 99.1 | 99.2 | 99.3 |
| Shareholder's equity | 87.3 | 275.0 | 296.8 | 325.7 | 350.7 |
| Minority interest | -1.0 | 0.0 | 0.0 | 1.6 | 3.6 |
| Exchange translation reserve | -2.5 | -3.0 | -2.8 | -2.8 | -2.8 |
| Others | 0.0 | -38.6 | -35.6 | -35.6 | -35.6 |
| Total Equity | 83.8 | 233.5 | 258.4 | 289.0 | 316.0 |

Cash Flow

| FYE Dec (RM m) | FY24 | FY25 | FY26F | FY27F | FY28F |
|-----------------------------------|---------------|--------------|--------------|--------------|--------------|
| Pre-tax profit | 55.4 | 48.3 | 47.8 | 55.6 | 48.6 |
| Depreciation & amortisation | 13.2 | 12.7 | 13.4 | 15.1 | 17.5 |
| Changes in working capital | -0.1 | 4.3 | 2.6 | 4.8 | 6.8 |
| Others | -22.1 | -14.9 | -7.2 | -9.8 | -7.2 |
| Operating cash flow | 46.4 | 50.4 | 56.6 | 65.6 | 65.7 |
| Net capex | -2.7 | -3.7 | -33.3 | -35.8 | -23.8 |
| Others | 25.6 | 4.3 | 3.7 | 4.4 | 3.5 |
| Investing cash flow | 22.9 | 0.6 | -29.6 | -31.3 | -20.2 |
| Dividends paid | -84.5 | 0.0 | -11.1 | -12.4 | -10.7 |
| Others | -17.6 | 98.0 | -7.1 | -7.2 | -7.0 |
| Financing cash flow | -102.1 | 98.0 | -18.2 | -19.6 | -17.7 |
| Net cash flow | -32.9 | 149.0 | 8.7 | 14.6 | 27.8 |
| Forex | -0.4 | -0.8 | 0.0 | 0.0 | 0.0 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 |
| Beginning cash & cash equivalent | 66.0 | 32.7 | 178.6 | 187.3 | 201.9 |
| Ending cash & cash equivalent | 32.7 | 43.6 | 187.3 | 201.9 | 229.7 |
| Fixed deposits with licensed bank | 2.4 | 137.3 | 2.4 | 2.4 | 2.4 |
| Short-term fund | 0.0 | -20.0 | -20.0 | -20.0 | -20.0 |
| Total cash & deposits | 35.2 | 180.9 | 169.7 | 184.3 | 212.1 |

ESG Matrix Framework:

Environment

| Parameters | Rating | Comments |
|------------------|--------|--|
| Climate | ★★ | At the moment, the Group has not yet quantified its Scope 1, 2 or 3 emissions, and is working to establish the appropriate data collection processes and emission factors to do so in future reporting cycles. |
| Waste & Effluent | ★★★ | In FY25, the Group generated 12.1 tonnes of waste, of which 0.6 tonnes were recycled or diverted through sustainability initiatives, with no waste-related regulatory breaches recorded during the year. |
| Energy | ★★★ | In FY25 the Group enhanced its energy efficiency initiatives at Aquaria KLCC, with its circulation pump retrofit reducing electricity consumption by 21.9%. |
| Water | ★★★ | In FY25, the Group recycled more than 90% of its exhibit water at Aquaria KLCC daily via its closed-loop filtration system, supporting sustainable water management. Total wastewater discharged recued to 11,677 m3 from 14,703 m3 in the prior year. |
| Compliance | ★★★ | In compliance with local environmental regulations. |

Social

| | | |
|--------------------------------|-----|---|
| Diversity | ★★★ | 45% male and 55% female workforce composition in FY25. |
| Human Rights | ★★★ | 0 human rights violations recorded in FY25. |
| Occupational Safety and Health | ★★★ | In FY25, the Group conducted a total of five safety-related programmes and training sessions, with 25 employees trained on health and safety standards. |
| Labour Practices | ★★★ | Fully compliant with the Employment Act 1955, ensuring adherence to all government regulations and the national minimum wage policy. |

Governance

| | | |
|--------------|-----|---|
| CSR Strategy | ★★★ | In FY25, the Group channelled approximately RM123,259 towards community and conservation initiatives. |
| Management | ★★★ | 4/7 female board composition, 4/7 independent directors. |
| Stakeholders | ★★★ | Major announcements and financial reports were announced in timely manner. |

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 + 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

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As of **Wednesday, 03 Jun, 2026**, 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.