

Wong Kai Heng

(603) 7890 8899 (ext 2141)

kaiheng.wong@apexsecurities.com.my

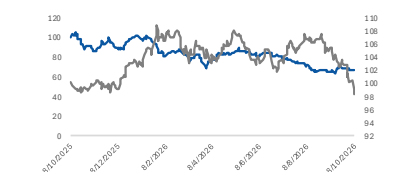
Recommendation:	BUY
Current Price:	RM 1.80
Previous Target Price:	RM2.38
Target Price:	↔ RM2.38
Capital Upside/ Downside:	32.2%
Dividend Yield (%):	4.0%
Total Upside/ Downside:	36.2%

Stock information

Board	MAIN
Sector	Consumer products & services
Bursa / Bloomberg Code	5335 / HIMK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	534.4
Market Cap (RM' m)	961.9
52-Week Price Range (RM)	2.88-1.72
Beta (x)	N/A
Free float (%)	37.7
3M Average Volume (m)	0.6
3M Average Value (RM' m)	1.1

Top 3 Shareholders

	(%)
Yinson Legacy Sdn Bhd	59.3
Bumi Mampan Sdn Bhd	6.3
Lim Han Weng	3.0

Share Price Performance

	1M	3M	12M
Absolute (%)	1.7	-13.9	-33.8
Relative (%)	8.9	-9.8	-32.6

Earnings Summary

FYE JAN (RM m)	FY26	FY27F	FY28F
Revenue	317.7	452.4	579.5
PATAM I	56.5	712	90.9
CNP	56.5	712	90.9
Core EPS (sen)	10.6	13.3	17.0
PE (x)	17.6	14.0	10.9

Source: Company, Apex Securities

HI Mobility Berhad

LOI for Continue Johor Bahru SBST Operations

- **LOI received for proposed appointment as Johor Bahru SBST network operator through Mar 2031.**
- **Proposed appointment aligned with HISB's established smart mobility and fleet management capabilities.**
- **921-bus fleet, including 65 EV buses, provides a solid base for capacity expansion.**
- **RTS Link offers potential first- and last-mile opportunities, with 40 buses being prepared ahead of opening.**
- **Maintain BUY with RM2.38 TP; no earnings revision pending further details on the proposed appointment.**

LOI for continued SBST operations. HI Mobility, via its wholly-owned subsidiary Handal Indah Sdn Bhd (HISB), received a Letter of Intent (LOI) from APAD for the proposed appointment as the network operator under the Stage Bus Service Transformation (SBST) programme in Johor Bahru, for the period from 1 Jan 2027 to 31 Mar 2031. The proposed appointment remains subject to further negotiations and the execution of the relevant SST/definitive agreements.

Our View. We view the LOI **positively** as it could provide medium-term earnings visibility for HI Mobility's scheduled bus operations in Johor Bahru, given the proposed continuation of its SBST operations. The proposed appointment is also well aligned with HISB's existing capabilities in smart mobility, technology integration, fleet management and operational execution, supporting its ability to deliver efficient and reliable public transport services. However, the LOI is non-binding, with the service scope, contractual terms and contract value still subject to further negotiations.

Outlook. We remain **positive** on HI Mobility's outlook, supported by sustained domestic and cross-border ridership and continued fleet expansion. As at 31 July 2026, the Group operated 921 buses, including 65 EV buses, providing a sizeable fleet base for its ongoing operations and expansion. The upcoming RTS Link presents potential first- and last-mile opportunities, with management preparing 40 buses ahead of its opening to ensure fleet readiness. Meanwhile, the proposed continuation of the Johor Bahru SBST operations through Mar 2031, if formalised, could provide further visibility for the Group's scheduled bus operations.

Earnings Revision. No change to our FY27F–FY29F CNP estimates at this juncture, pending further details on the proposed appointment.

Valuation. We maintain our **BUY** recommendation and **TP of RM2.38**, based on an unchanged 14x FY28F P/E applied to our FY28F core EPS of 17.0sen.

Risks. Key risks include non-finalisation of the proposed appointment, changes to the service scope or contract terms, and higher-than-expected fleet investment requirements.

Company Update

Friday, 09 Oct, 2026

BURSA RISE+
Brought to you by Bursa Malaysia
Supported by Capital Market Development Fund



Financial Highlights

Income Statement

FYE Jan (RM m)	FY25	FY26	FY27F	FY28F	FY29F
Revenue	279.8	317.7	452.4	579.5	714.6
Gross Profit	77.9	84.2	117.6	150.7	185.8
EBITDA	80.1	97.1	124.0	149.2	174.7
Depreciation & Amortisation	-22.2	-28.2	-38.3	-39.3	-39.3
EBIT	57.9	68.8	85.7	109.9	135.4
Net Finance Income/ (Cost)	-7.5	-5.9	-3.0	-4.1	-1.9
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	50.5	62.9	82.8	105.7	133.5
Tax	-6.7	-6.4	-11.6	-14.8	-18.7
Profit After Tax	43.8	56.5	71.2	90.9	114.8
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Profit	43.8	56.5	71.2	90.9	114.8
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	43.8	56.5	71.2	90.9	114.8

Key Ratios

FYE Jan (RM m)	FY25	FY26	FY27F	FY28F	FY29F
EPS (sen)	8.2	10.6	13.3	17.0	21.5
P/E (x)	22.7	17.6	14.0	10.9	8.7
P/B (x)	14.1	6.7	5.8	5.0	4.2
EV/EBITDA (x)	10.9	10.2	7.2	6.3	5.7
DPS (sen)	0.0	4.8	5.7	7.2	9.1
Dividend Yield (%)	0.0%	2.6%	3.0%	3.9%	4.9%
EBITDA margin (%)	28.6%	30.6%	27.4%	25.7%	24.4%
EBIT margin (%)	20.7%	21.7%	19.0%	19.0%	19.0%
PBT margin (%)	18.0%	19.8%	18.3%	18.2%	18.7%
PAT margin (%)	15.6%	17.8%	15.7%	15.7%	16.1%
NP margin (%)	15.6%	17.8%	15.7%	15.7%	16.1%
CNP margin (%)	15.6%	17.8%	15.7%	15.7%	16.1%
ROE (%)	33.3%	20.4%	22.4%	24.6%	26.4%
ROA (%)	12.3%	11.1%	12.7%	14.6%	16.5%
Gearing (%)	128.9%	47.1%	41.0%	35.2%	29.9%
Net gearing (%)	93.1%	1.1%	32.0%	15.3%	Net Cash

Valuations	FY28F
Core EPS (sen)	17.0
P/E multiple (x)	14.0
Fair value (RM)	2.38
ESG premium/discount	0.0%
Implied Fair Value (RM)	2.38

Source: Company, Apex Securities

Balance Sheet

FYE Jan (RM m)	FY25	FY26	FY27F	FY28F	FY29F
Cash	47.1	127.0	28.4	73.4	135.4
Receivables	39.3	70.0	110.4	131.7	145.4
Inventories	1.3	3.6	3.2	2.8	2.3
Other current assets	0.0	0.0	99.7	99.7	99.7
Total Current Assets	87.7	200.6	241.7	307.6	382.9
Fixed Assets	254.0	294.4	302.5	302.0	299.0
Intangibles	6.7	6.0	6.0	6.0	6.0
Other non-current assets	7.2	8.4	8.4	8.4	8.4
Total Non-Current Assets	267.9	308.8	316.9	316.3	313.4
Short-term debt	22.6	34.5	34.5	34.5	34.5
Payables	32.1	43.0	51.3	64.3	70.6
Other current liabilities	17.9	18.4	18.4	18.4	18.4
Total Current Liabilities	72.6	95.9	104.2	117.2	123.5
Long-term debt	146.9	95.6	95.6	95.6	95.6
Other non-current liabilities	4.6	41.6	41.6	41.6	41.6
Total Non-Current Liabilities	151.5	137.1	137.1	137.1	137.1
Shareholder's equity	131.5	276.3	317.3	369.6	435.6
Minority interest	0.0	0.0	0.0	0.0	0.0
Total Equity	131.5	276.3	317.3	369.6	435.6

Cash Flow

FYE Jan (RM m)	FY25	FY26	FY27F	FY28F	FY29F
Pre-tax profit	50.5	62.9	82.8	105.7	133.5
Depreciation & amortisation	-22.2	28.2	38.3	39.3	39.3
Changes in working capital	34.2	-28.4	-31.7	-7.8	-7.1
Others	4.8	-5.0	-14.6	-18.9	-20.6
Operating cash flow	67.3	57.7	74.8	118.3	145.1
Capex	-70.5	-35.4	-46.4	-38.8	-36.3
Others	0.9	4.3	6.5	6.8	6.8
Investing cash flow	-69.6	-31.1	-39.9	-32.0	-29.5
Dividends paid	0.0	-24.0	-30.3	-38.6	-48.8
Others	24.7	78.5	-3.5	-2.6	-4.8
Financing cash flow	24.7	54.5	-33.8	-41.3	-53.6
Net cash flow	22.4	81.1	1.1	45.0	61.9
Forex	-1.6	-1.2	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	25.8	46.6	27.3	28.4	73.4
Ending cash	46.6	126.5	28.4	73.4	135.4

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Expanding its electric bus fleet and targets a 20% reduction in carbon emissions per passenger-kilometre by 2026.
Waste & Effluent	★★★	Complies with scheduled waste regulations and repurposes used EV batteries for Battery Energy Storage Systems (BESS).
Energy	★★★	Solarises its headquarters and is investing in EV charging infrastructure.
Water	★★	No specific water management initiatives or disclosure provided.
Compliance	★★★	Certified under ISO 14001:2015 for environmental management.

Social

Diversity	★★★	Targets greater female and underrepresented management representation, with 50% female Board members.
Human Rights	★★★	Merit-based hiring with equal opportunities and compliant foreign worker practices.
Occupational Safety and Health	★★★	ISO 45001:2018 certified, supported by battery safety training and AI-powered driver monitoring.
Labour Practices	★★★	Provides employee benefits, training, and maintains a high local employment rate with no major labour disputes.

Governance

CSR Strategy	★★★	Supports community programmes and targets higher annual community investment.
Management	★★★	ESG overseen by the Board with independent directors and comprehensive governance policies.
Stakeholders	★★★	Maintains stakeholder engagement through transparent communication and regular feedback.

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

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.

This report has been prepared by Apex Securities Berhad pursuant to the Research Incentive Program under Bursa Research Incentive Scheme Plus ("Bursa RISE+") administered by Bursa Malaysia Berhad. This report has been produced independent of any influence from Bursa Malaysia Berhad or the subject company. Bursa Malaysia Berhad and its group of companies disclaims any and all liability, howsoever arising, out of or in relation to the administration of Bursa Research Incentive Program and/or this report. This research report can also be found in MyBursa platform or via the link: [Market Research and Analysis - MyBURSA](#)"

As of Friday, 09 Oct, 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.