# Automotive

## NEUTRAL (Maintain)

## Sequential TIV Rose on Output

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### HIGHLIGHTS

- Year-to-date TIV tracks within expectations at 56%
- Jaecoo rose to third among non-nationals, overtaking Mazda
- High base pressures TIV, -3.0%yoy drop expected for this year
- **MBM Resources (Maintain BUY, TP: RM5.36)**

### SECTOR RECAP

**Higher production lifted the month-on-month TIV.** Total industry volume (TIV) totalled 70,057 units (+27.8%mom, -4.7%yoy) in Jul-25. The robust month-on-month increase was supported by an extended working month, prompting a recovery in total industry production (TIP) (+37.2%mom, +1.6%yoy). This raised the year-to-date total to 443,777 units (-4.6%yoy), representing 56% of our full-year projection, which we consider to be in line with expectations. Within this total, the commercial segment (-18.6%yoy) recorded a much sharper decline compared to the passenger segment (-3.2%yoy).

**Jaecoo emerged as the third-best non-national.** As depicted in Chart 3, the demand in the affordable segment remained resilient, with national marques' market share rising to 69% in 7MCY25 (vs. 68% in 7MCY24). This was largely driven by Perodua (-1.1%yoy), whose TIV contraction fared better than the overall sector's decline year-to-date and is on track at 58% of its 345,000-unit sales target for CY25. Within the non-national segment, Toyota sustained its 29% market share, recording a -6.3%yoy drop in TIV, which was more resilient than its Japanese peers. Meanwhile, Jaecoo (a sub-brand of Chery) has risen to become the third best-selling non-national marque with a 7% market share. This displaced Mazda, whose year-to-date TIV contracted sharply by -53.2%yoy.

**A few supportive factors for 2HCY25.** Sales momentum is likely to remain strong this month, underpinned by improved stock levels and Merdeka promotions. Passenger vehicle TIV should see some support from new model launches in 2HCY25, while the recent OPR reduction may help improve buying sentiment. In addition, with the shift to an open market value-based excise duty for CKD vehicles scheduled for Jan-26, we expect a degree of frontloading in purchases in 2HCY25.

**Maintain NEUTRAL.** Nonetheless, overall TIV is expected to ease this year on the back of a strong base. Our CY25 forecast remains at 792,000 units (-3.0%yoy), which is largely in line with MAA's estimate of 780,000 units (-4.5%yoy).

### COMPANY *IN FOCUS*

**MBM Resources Berhad**

**Maintain BUY | Target Price: RM5.36**
Price @ 19th August 2025: RM4.61

- Trading at -1.5SD below the sector's 5-year mean with a dividend yield of +7.6%.
- Perodua's sales have held up well, despite a slight softening to date.
- Auto parts manufacturing margins are set to improve in the upcoming quarters.

**SHARE PRICE CHART**

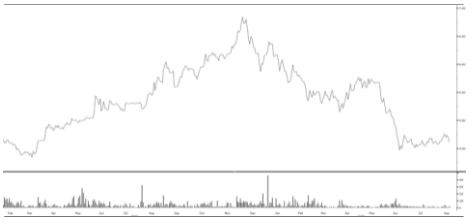


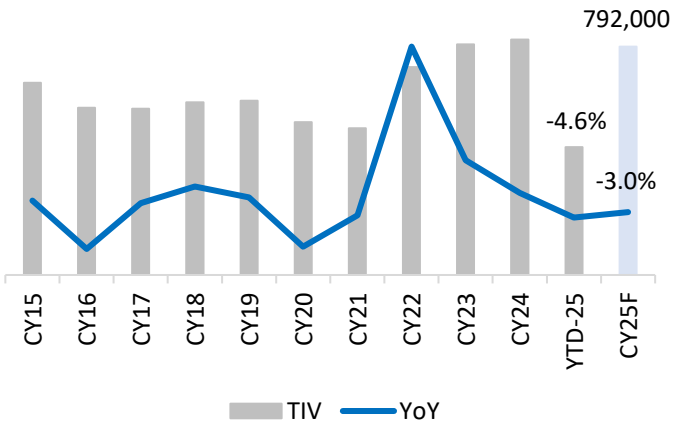
**TABLE 1: TOTAL INDUSTRY VOLUME (UNITS)**

| Marques | Jul-25 | Jun-25 | Jul-24 | MoM | YoY | YTD-25 | YTD-24 | YoY |
|---|---|---|---|---|---|---|---|---|
| BMW* | 0 | 554 | 826 | -100.0% | -100.0% | 3,350 | 6,686 | -49.9% |
| BYD | 971 | 1,190 | 702 | -18.4% | 38.3% | 7,040 | 5,070 | 38.9% |
| Chery | 1,190 | 882 | 1,030 | 34.9% | 15.5% | 7,903 | 7,921 | -0.2% |
| Honda | 4,746 | 4,193 | 6,906 | 13.2% | -31.3% | 38,496 | 46,132 | -16.6% |
| Jaecoo | 1,450 | 1,606 | 5 | -9.7% | >100% | 8,900 | 9 | >100% |
| Mazda | 599 | 526 | 1,386 | 13.9% | -56.8% | 4,547 | 9,715 | -53.2% |
| Mercedes-Benz* | 0 | 429 | 484 | -100.0% | -100.0% | 2,816 | 4,140 | -32.0% |
| Mitsubishi | 719 | 543 | 894 | 32.4% | -19.6% | 5,491 | 5,325 | 3.1% |
| Nissan | 478 | 260 | 480 | 83.8% | -0.4% | 3,278 | 3,636 | -9.8% |
| Perodua | 33,486 | 22,328 | 32,095 | 50.0% | 4.3% | 199,674 | 201,944 | -1.1% |
| Proton | 13,182 | 10,638 | 14,936 | 23.9% | -11.7% | 82,955 | 87,024 | -4.7% |
| Toyota | 6,001 | 5,177 | 6,432 | 15.9% | -6.7% | 37,227 | 39,718 | -6.3% |
| Volkswagen | 143 | 146 | 124 | -2.1% | 15.3% | 904 | 903 | 0.1% |
| Volvo | 139 | 141 | 73 | -1.4% | 90.4% | 872 | 1,104 | -21.0% |
| Others | 1,334 | 1,191 | 1,100 | 12.0% | 21.3% | 8,069 | 6,002 | 34.4% |
| **Total Passenger** | **64,438** | **49,804** | **67,473** | 29.4% | -4.5% | **411,522** | **425,329** | -3.2% |
| **Total Commercial** | **5,619** | **5,028** | **6,028** | 11.8% | -6.8% | **32,255** | **39,623** | -18.6% |
| **TIV** | **70,057** | **54,832** | **73,501** | 27.8% | -4.7% | **443,777** | **464,952** | -4.6% |

*Source: MAA, MIDFR*

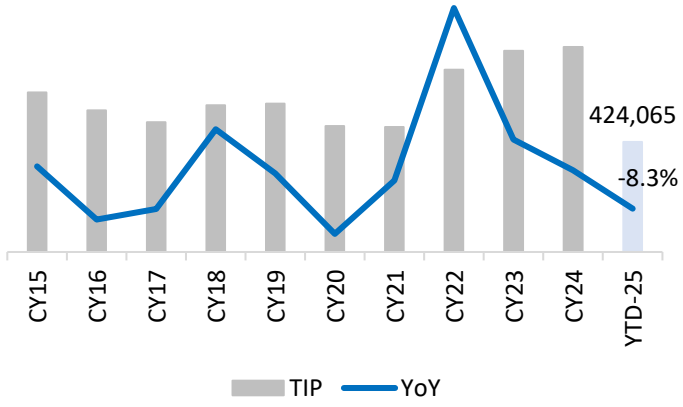
**Data is only available quarterly.*

**Chart 1: Annual TIV Trend (Units)**



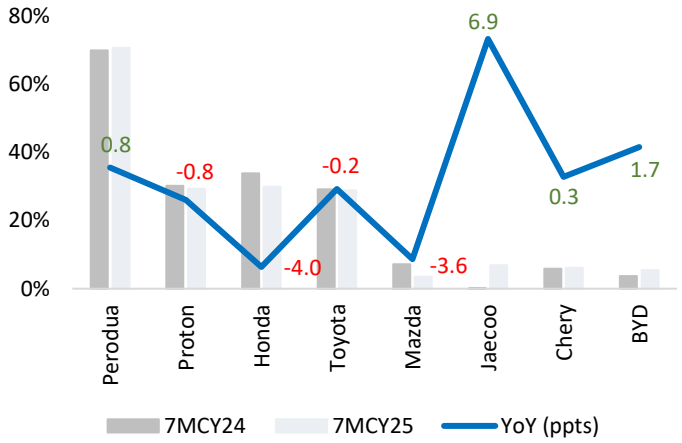

*Source: MAA, MBSBR*

**Chart 2: Annual TIP Trend (Units)**



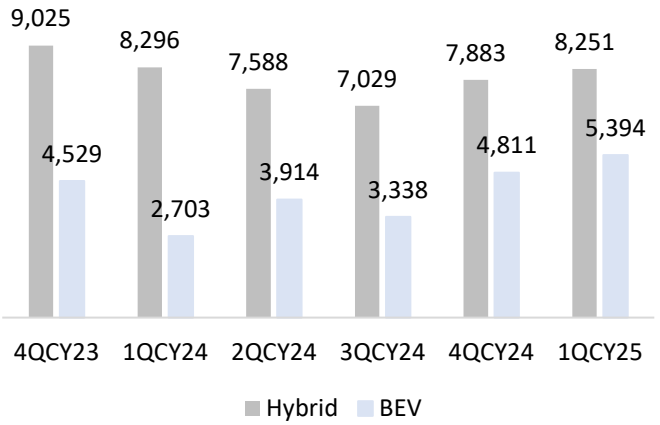

*Source: MAA, MBSBR*

**Chart 3: PV Market Share Within the Respective Segments**




*Source: MAA, MBSBR*

**Chart 4: Quarterly Hybrid and BEV Sales**




*Source: MAA, MBSBR*

## SECTOR VALUATION MATRIX

| Company | Rating | Last Price | TP | PER | | ROE | | Dividend Yield | |
|---|---|---|---|---|---|---|---|---|---|
| | | RM | RM | FY25F | FY26F | FY25F | FY26F | FY25F | FY26F |
| Bermaz Auto* | NEUTRAL | 0.66 | 0.75 | 5.3x | 5.2x | 18.5% | 17.7% | 12.3% | 12.6% |
| MBM Resources | BUY | 4.61 | 5.36 | 5.9x | 6.0x | 11.0% | 10.3% | 7.6% | 7.5% |
| Tan Chong | SELL | 0.59 | 0.34 | - | - | - | - | 1.7% | 1.7% |

*Source: Companies, MBSBR, *FYE April*

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### MBSB INVESTMENT BANK (formerly known as MIDF Amanah Investment Bank): GUIDE TO RECOMMENDATIONS

**STOCK RECOMMENDATIONS**

| | |
|---|---|
| BUY | Total return is expected to be >10% over the next 12 months. |
| TRADING BUY | The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow. |
| NEUTRAL | Total return is expected to be between -10% and +10% over the next 12 months. |
| SELL | Total return is expected to be <-10% over the next 12 months. |
| TRADING SELL | The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow. |

**SECTOR RECOMMENDATIONS**

| | |
|---|---|
| POSITIVE | The sector is expected to outperform the overall market over the next 12 months. |
| NEUTRAL | The sector is expected to perform in line with the overall market over the next 12 months. |
| NEGATIVE | The sector is expected to underperform the overall market over the next 12 months. |

**ESG RECOMMENDATIONS*** - source Bursa Malaysia and FTSE Russell

| | |
|---|---|
| ☆☆☆☆ | Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |
| ☆☆☆ | Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |
| ☆☆ | Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |
| ☆ | Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology