Corporate Update

Bursa Malaysia Berhad

(1818 | BURSA MK) Main | Financial Services

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

Maintain **NEUTRAL**

Revised Target Price **RM8.25**
(from RM7.90)

3QFY25 Results Review: Sequentially A Better Quarter

Maintain NEUTRAL. Bursa Malaysia Bhd (Bursa) saw some uptick in performance in 3QFY5. We had expected the better trading activities as balance of risk is skewing towards the positive. Going forward, we expect trading activities to pick up in light of possible improvement in sentiments on potential further US rate cuts and lower unpredictability in US trade policy. Nevertheless, we maintain our **NEUTRAL** recommendation as we believe positives have been priced in. We revise our **TP** lower to **RM8.25** as we rollover our valuation to FY26, based on pegging FY26 EPS to PER of 23x which is its 2-year average PER.

Below expectations. Bursa 9MFY25 earnings fell -21.5%yoy which was below our expectation at 65.1% of our full year estimate. Meanwhile, it was at 71% consensus'. While we expected better quarterly performance as 9MFY25 revenue was within our expectation, the variance was due to higher-than-expected other operating expenses.

Revenue within expectation, maintained growth in non-trading side. Total revenue in 9MFY25 declined -10.3%yoy due to lower securities trading which fell -25.0%yoy. Nevertheless, there was improvement on sequential quarter basis where 3QFY25 total revenue grew +4.2%qoq supported by +13.3%qoq rise in securities trading revenue. Moreover, non-trading revenue rose +4.4%yoy to RM192.3m cushioning the fall in trading revenue.

Lower trading activities. Average Daily Value (ADV) (OMT) in 1HFY25 fell -24.8%yoy RM2.46b. Main drag was ADV from domestic institution and retail which fell -31.7%yoy to RM980m and -37.9%yoy to RM455m respectively. However, the decline by foreign institution was much less than we expected, down by -7.3%yoy to RM1.02b

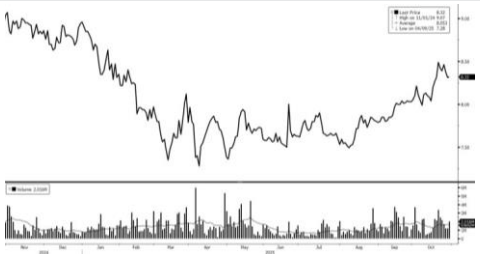
OPEX growth slowed. OPEX in 9MFY25 grew +3.5%yoy to RM282.8m as 3QFY5 OPEX fell -6.9%yoy. We noted that staff cost (being the highest contributor) fell (-2.3%yoy). Main drivers for the higher OPEX was higher IT maintenance (+14.0%yoy to RM35.9m) and other OPEX (+20.2%yoy to RM45.1m). Going forward, we can expect OPEX to increase due to first time-imposed SC regulatory fee of up to RM35m (estimated to be RM28m) for FY26. However, this will be offset in the increase of selected listing and regulatory-related fees.

Revision to FY25 PBT target. Bursa has revised its FY25 PBT target of between RM314m and RM347m (from RM369m to RM408m), which is a more achievable target in our opinion. Separately, other targets such as IPO, non-trading revenue growth and reduction in its carbon footprint is on track, with no. of IPO target remaining 60 (9MFY25: 41) but lower total IPO market cap of RM25.2b (from RM40.2b).

Earnings revised. We are revising FY25/FY26/FY27 earnings estimate by -13.7%/-6.2%/-6.2% to account for 3QFY25 performance, its PBT target revision and the SC fees to be imposed next year.

RETURN STATISTICS	
Price @ 30th October 2025 (RM)	8.32
Expected share price return (%)	-0.8
Expected dividend yield (%)	+3.5
Expected total return (%)	+2.7

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	3.6	3.5
3months	3.6	3.6
12 months	-6.9	-7.6

INVESTMENT STATISTICS

FYE Dec	2024A	2025F	2026F
Revenue	784.5	721.5	737.9
Operating Profit	395.4	339.1	376.3
Profit Before Tax	395.4	339.1	376.3
Core PATAMI	301.7	250.9	289.8
Core EPS	38.3	31.0	35.8
DPS	44.0	29.5	34.0
Dividend Yield	5.3%	3.5%	4.1%

KEY STATISTICS

FBM KLCI	1,614.20
Issue shares (m)	809.30
Estimated free float (%)	93.60
Market Capitalisation (RM'm)	6,733.4
52-wk price range	RM7.20 – RM8.98
3-mth average daily volume (m)	1.47
3-mth average daily value (RM'm)	11.7
Top Shareholders (%)	
Capital Market Dvlp Fund	18.57
KWAP	11.32
EPF	11.26

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3QFY25 RESULTS SUMMARY

FYE Dec (RM'm)	3QFY25	3QFY24	2QFY25	YoY Chg	QoQ Chg	9MFY25	9MFY24	YoY Chg
Operating revenue	173.8	204.0	166.7	-14.8%	4.3%	518.1	578.7	-10.5%
Other income	6.1	7.2	5.9	-15.0%	3.6%	18.8	19.9	-5.5%
Total revenue	**179.9**	**211.3**	**172.6**	**-14.8%**	**4.2%**	**536.9**	**598.6**	**-10.3%**
Staff costs	(44.8)	(50.1)	(50.1)	-10.6%	-10.7%	(141.5)	(144.9)	-2.3%
Depreciation and amortisation	(9.1)	(9.1)	(9.2)	-0.1%	-1.9%	(27.4)	(26.4)	4.0%
Other operating expenses	(35.3)	(36.6)	(37.2)	-3.6%	-5.1%	(109.8)	(102.3)	7.4%
EBITDA	**95.3**	**124.4**	**85.2**	**-23.4%**	**11.8%**	**281.2**	**351.0**	**-19.9%**
Pre-tax profit	**86.3**	**115.4**	76.0	**-25.2%**	**13.5%**	**253.8**	**324.6**	**-21.8%**
Taxation	(23.0)	(30.1)	(19.5)	-23.5%	18.2%	(65.9)	(84.4)	-21.9%
PATAMI	0.6	0.5	0.5	32.5%	10.2%	1.6	1.0	63.3%
EPS (sen)	**63.8**	**85.7**	**57.1**	**-25.5%**	**11.9%**	**189.5**	**241.2**	**-21.5%**
Key Matric	**3QFY25**	**3QFY24**	**2QFY25**	**+/- ppts**	**+/- ppts**	**9MFY25**	**9MFY24**	**+/- ppts**
Cost-to-income ratio	49.5%	45.3%	56.0%	4.2	-6.4	51.9%	45.7%	6.2
EBITDA margin	53.0%	58.9%	49.4%	-5.9	3.6	52.4%	58.6%	-6.3
PATAMI margin	35.5%	40.6%	33.1%	-5.1	2.4	35.3%	40.3%	-5.0
Effective tax rate	26.7%	26.1%	25.6%	0.6	1.0	26.0%	26.0%	0.0

Segments breakdown								
Operating revenue	**3QFY25**	**3QFY24**	**2QFY25**	**YoY Chg**	**QoQ Chg**	**9MFY25**	**9MFY24**	**YoY Chg**
Securities trading revenue	78.9	108.0	69.6	-27.0%	13.3%	225.2	300.3	-25.0%
Derivatives trading revenue	27.0	28.9	27.3	-6.7%	-1.0%	83.1	80.9	2.8%
Bursa Suq Al-Sila (BSAS)	6.0	4.1	5.8	47.1%	4.5%	16.7	12.9	28.9%
Listing and issuer services	19.0	18.5	18.8	2.9%	1.3%	54.2	51.7	4.9%
Depository services	16.3	16.6	17.4	-2.0%	-6.6%	50.7	48.0	5.6%
Market data	19.8	21.4	21.1	-7.5%	-6.1%	60.3	59.4	1.4%
Member services and connectivity	6.8	6.5	6.7	5.0%	1.3%	20.1	18.8	6.7%
Operating Statistics								
	3QFY25	**3QFY24**	**2QFY25**	**YoY Chg**	**QoQ Chg**	**9MFY25**	**9MFY24**	**YoY Chg**
Total ADV (OMT & DBT) (RM 'b)	2.82	3.80	2.38	-25.8%	18.5%	2.67	3.63	-26.4%
Total av. Daily trading volume (OMT & DBT) (billion shares)	3.28	4.30	3.17	-23.7%	3.5%	3.27	4.69	-30.3%
Velocity (%)	33	43	30	-10	3	32	42	-10
No. of IPOs	9	14.00	18	-35.7%	-50.0%	41	35	17.1%
Total funds raised - IPO (RM 'm)	390.7	3,880.9	2,702.7	-89.9%	-85.5%	4,358.5	6,060.8	-28.1%
Total funds raised - Secondary issues (RM 'm)	2,320.7	1,134.7	686.7	104.5%	237.9%	3,908.2	5,340.8	-26.8%
No. trading days	62	64	60	-2	2	180	183	-3

Source: Company, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	616.5	784.5	721.5	737.9	755.4
EBITDA	358.8	445.8	382.4	413.2	430.6
PBT	321.5	410.4	339.1	376.3	385.2
Taxation	-70.0	-101.7	-89.7	-88.1	-90.1
PAT	251.5	308.6	249.4	288.3	295.1
MI	-0.8	-1.5	-1.5	-1.5	-1.5
PATAMI	252.3	310.1	250.9	289.8	296.6
Core PATAMI	252.3	310.1	250.9	289.8	296.6
EPS (sen)	31.2	38.3	31.0	35.8	36.7
PER (x)	24.6	20.0	26.8	23.2	22.7
DPS (sen)	29.0	44.0	29.5	34.0	34.8
Dividend yield (%)	3.8	5.8	3.5	4.1	4.2
Growth (%)	**2023A**	**2024A**	**2025E**	**2026F**	**2027F**
Revenue growth	2.2	27.3	-8.0	2.3	2.4
PBT growth	3.7	27.7	-17.4	11.0	2.4
PATAMI growth	11.4	22.9	-19.1	15.5	2.4
Core PATAMI growth	11.4	22.9	-19.1	15.5	2.4

Source: Bloomberg, MBSBR

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MBSB INVESTMENT BANK (formerly known MIDF 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 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