Capital A Berhad

(5099 | CAPITALA MK) Main | Consumer Products & Services

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Corporate Update

4QFY25 Results Review
PN17 Exit in Sight

Maintain BUY. Capital A Berhad has completed the disposal of its aviation business and now retains only its aviation services entities. With key regularisation plan regulatory milestones completed, Bursa has agreed to recognise 4QFY25 and 1QFY26 profits for the PN17 assessment, implying the earliest potential exit could be in May-26 unless approval is obtained to recognise earlier quarters' profits. Following the deconsolidation of aviation earnings, we adopted a sum-of-the-parts valuation (as detailed below) to better reflect the Group's structure, deriving a new target price of **RM0.77** (from RM0.65).

Capital A companies are now presented on a standalone basis. Previously, we treated aviation as part of ongoing operations to maintain comparability with historical performance. Following the completion of the divestment, the FY25 results reflect aviation performance only up to December 3, 2025 (the legal completion date). In this report, the continuing business is presented as a standalone entity.

BigPay remains a drag under AirAsia Next. Revenue grew +15.6%yoy across all segments in 4QFY25, except AirAsia Next (-18.4%yoy), due to BigPay consolidation, higher staff costs from internal reallocations, and increased sponsorship spending, resulting in the segment's EBITDA declining by -39.5%yoy. Management noted that while turnaround plans are underway, BigPay may be shut down if performance fails to improve. Notably, AirAsia MOVE's EBITDA declined -8.9%yoy despite strong revenue growth of +74.7%yoy, mainly due to B2B distribution, which carries thinner margins. Overall core net profit rose +37.7%yoy as compared to 4QFY24.

Sequential growth with temporary margin softness. Against 3QFY25, revenue rose strongly by +29.4%qoq, with all segments recording growth, driven mainly by seasonality. Teleport's EBITDA fell -20.5%qoq despite revenue rising +17.7%qoq as volume-led growth created temporary margin pressure from pricing and upfront scaling costs. Similarly, Santan's EBITDA fell -56.0%qoq even as revenue increased +8.9%qoq, mainly due to inventory reconciliation charges with the airline during the separation process. Core net profit increased by +49.0%qoq sequentially.

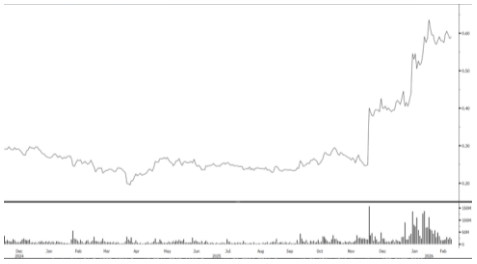
Earnings estimates. We slashed earnings by -66%/69% for FY26F/FY27F following the deconsolidation of the aviation business. Management is targeting FY26 revenue of RM3.8b (+12.0%yoy), EBITDA of RM600.0m (+20.0%yoy), and net operating profit of RM266.0m.

Maintain BUY

Revised Target Price **RM0.77**
(from RM0.65)

RETURN STATISTICS	
Price @ 25th February 2026 (RM)	0.60
Expected share price return (%)	+29.1
Expected dividend yield (%)	0.0
Expected total return (%)	+29.1

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-14.1	-13.9
3 months	1.2	-0.7
12 months	-15.0	-15.5

INVESTMENT STATISTICS

FYE Dec	2025A	2026F	2027F
Revenue	3,393.5	3,589.6	3,808.3
EBIT	335.2	365.9	386.3
PBT	183.3	290.8	316.1
Net profit	180.4	258.4	274.2
Core net profit	165.9	240.5	251.3
EPS (sen)	3.8	5.5	5.8

KEY STATISTICS	
FBM KLCI	1,747.81
Issued shares (m)	4,330.43
Estimated free float (%)	68.38
Market Capitalisation (RM'm)	2,635.47
52-wk price range	RM0.18 - RM0.64
3-mth average daily volume (m)	40.02
3-mth average daily value	21.21
Top Shareholders (%)	
Tune Air Sdn Bhd	11.56
Tune Live Sdn Bhd	11.39
Positive Boom Limited	7.44

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CAPITAL A: 4QFY25 RESULTS SUMMARY

FYE Dec (RM'm)	Quarterly					Cumulatively		
Income Statement	**4QFY25**	**3QFY25**	**4QFY24**	**QoQ**	**YoY**	**FY25**	**FY24**	**YoY**
Revenue	1,057.4	816.9	914.4	29.4%	15.6%	3,393.5	3,031.9	11.9%
EBITDA	111.4	112.9	104.0	-1.3%	7.1%	443.1	341.7	29.7%
EBIT	79.4	86.5	85.3	-8.2%	-6.8%	335.2	261.9	28.0%
Net finance costs	-34.7	-44.6	-34.4	22.3%	-0.9%	-163.8	-108.3	-51.3%
PBT	51.2	28.5	103.2	79.4%	-50.4%	183.3	116.0	58.0%
Taxation	8.5	-6.2	-11.7	238.3%	172.8%	-3.0	14.5	-120.4%
Net profit	59.7	22.4	91.5	166.9%	-34.8%	180.4	130.5	38.2%
Core net profit	53.3	35.7	38.7	49.0%	37.7%	165.9	168.1	-1.3%
				ppts	**ppts**			**ppts**
EBIT margin	7.5%	10.6%	9.3%	-3.1	-1.8	9.9%	8.6%	1.2
PBT margin	4.8%	3.5%	11.3%	1.3	-6.4	5.4%	3.8%	1.6
Core net profit margin	5.0%	4.4%	4.2%	0.7	0.8	4.9%	5.5%	-0.7
Effective tax rate	16.6%	-21.6%	-11.3%	38.2	28.0	-1.6%	12.5%	-14.1

SEGMENTAL BREAKDOWN

FYE Dec (RM'm)	Quarterly					Cumulatively		
Revenue	**4QFY25**	**3QFY25**	**4QFY24**	**QoQ**	**YoY**	**FY25**	**FY24**	**YoY**
Teleport (logistics)	367.4	312.2	333.8	17.7%	10.1%	825.2	736.4	12.1%
ADE (MRO)	246.6	221.5	188.2	11.3%	31.0%	648.0	525.8	23.2%
AirAsia MOVE (OTA)	295.3	111.8	169.0	164.1%	74.7%	346.2	386.0	-10.3%
Santan (F&B)	64.1	58.9	56.9	8.9%	12.6%	163.3	136.5	19.6%
AirAsia Next (brand, fintech)	63.2	57.6	77.5	9.8%	-18.4%	246.4	258.6	-4.7%
EBITDA	**4QFY25**	**3QFY25**	**4QFY24**	**QoQ**	**YoY**	**FY25**	**FY24**	**YoY**
Teleport (logistics)	25.3	31.9	24.2	-20.5%	4.7%	79.2	29.7	167.0%
ADE (MRO)	55.4	53.5	31.0	3.5%	78.9%	150.0	109.2	37.4%
AirAsia MOVE (OTA)	43.8	12.4	48.1	254.0%	-8.9%	40.0	48.8	-18.0%
Santan (F&B)	4.6	10.4	-0.8	-56.0%	671.8%	29.3	12.2	140.2%
AirAsia Next (brand, fintech)	22.6	26.9	37.4	-16.1%	-39.5%	117.7	96.6	21.9%
EBITDA margin	**4QFY25**	**3QFY25**	**4QFY24**	**QoQ**	**YoY**	**FY25**	**FY24**	**YoY**
Teleport (logistics)	10.2%	9.7%	7.6%	0.5	2.6	9.6%	4.0%	5.6
ADE (MRO)	24.2%	25.7%	16.1%	-1.5	8.1	23.2%	20.8%	2.4
AirAsia MOVE (OTA)	11.1%	10.8%	15.1%	0.3	-4.0	11.6%	12.6%	-1.1
Santan (F&B)	17.6%	24.1%	9.6%	-6.5	8.0	17.9%	8.9%	9.0
AirAsia Next (brand, fintech)	78.0%	79.7%	48.1%	-1.7	29.9	47.8%	37.3%	10.4

OPERATING STATISTICS

Key Indicators	Quarterly				
AirAsia MOVE	**4QFY25**	**3QFY25**	**4QFY24**	**QoQ**	**YoY**
Monthly active users ('000)	14,780	13,092	15,216	12.9%	-2.9%
No. of transactions ('000)	3,207	3,204	3,779	0.1%	-15.1%
Gross booking value (m)	2,674	2,111	2,694	26.7%	-0.7%
Duty free and merchandise	75,181	65,221	43,838	15.3%	71.5%
Teleport	**4QFY25**	**3QFY25**	**4QFY24**	**QoQ**	**YoY**
Tonnage (tonnes)	102,688	90,357	85,951	13.6%	19.5%
No. of parcels ('000)	62,932	44,799	23,783	40.5%	164.6%

Source: Capital A, MBSBR

SOTP Valuation

	Stake	Value (RM'm)	Value/Share (RM)	Notes
ADE	100%	1,886.7	0.24	18x FY26 EPS
AirAsia Next	100%	1,472.8	0.18	DCF - WACC: 11.5%, g: 1%
AirAsia MOVE	100%	365.4	0.05	12x FY26 EPS
Santan	100%	266.7	0.03	12x FY26 EPS
Teleport	65%	270.8	0.03	13x FY26 EPS
AAX shares	20%	1,736.3	0.22	Consensus TP
Warrant conversion		182.0	0.02	
Equity value		**6,180.7**	**0.77**	

Financial Summary

Profit or Loss (RM'm)	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**
Revenue	14,693.0	3,031.9	3,393.5	3,589.6	3,808.3
EBITDA	412.0	341.7	443.1	591.3	624.7
EBIT	280.5	261.9	335.2	365.9	386.3
PBT	-177.0	116.0	183.3	290.8	316.1
Net profit	255.3	130.5	180.4	258.4	274.2
Core net profit	249.3	168.1	165.9	240.5	251.3
EPS (sen)	5.7	3.9	3.8	5.4	5.8
PER (x)	10.5x	15.6x	15.8x	11.0x	10.3x

Balance Sheet (RM'm)	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**
ROU assets	13,266.0	404.1	399.6	411.6	424.0
PPE	1,580.4	228.2	320.6	330.2	340.1
Non-current assets	**26,454.8**	**958.4**	**1,169.8**	**1,204.9**	**1,241.1**
Trade debtors	1,266.7	391.3	374.3	385.5	397.1
Cash & cash equivalents	702.8	431.2	505.2	520.3	535.9
Current assets	**2,498.8**	**1,094.0**	**6,223.7**	**6,410.4**	**6,602.8**
Long-term debt	3,580.6	839.7	556.3	573.0	590.2
Non-current liabilities	**23,940.9**	**994.5**	**741.7**	**764.0**	**786.9**
Trade creditors	4,206.3	653.6	3,708.3	3,819.6	3,934.2
Short-term debt	862.3	636.0	730.9	752.8	775.4
Current liabilities	**15,105.1**	**1,372.2**	**5,714.5**	**5,885.9**	**6,062.5**
Share capital	8,711.7	8,768.6	8,819.4	8,819.4	8,819.4
Retained earnings	138.6	-12,833.5	-5,307.5	-5,042.1	-4,790.0
Equity	**-10,092.4**	**-10,015.0**	**937.4**	**965.5**	**994.5**

Cash Flow (RM'm)	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**
PBT	-816.4	-891.1	8,960.7	290.8	316.1
Operating cash flow	1,413.4	-863.1	338.2	296.2	317.2
Investing cash flow	-101.6	-213.2	-1,715.0	-100.0	-150.0
Financing cash flow	-1,169.7	99.0	-193.7	0.0	0.0
Net cash flow	**142.1**	**203.9**	**-449.3**	196.2	167.2
Beginning cash flow	**336.8**	**522.1**	**802.3**	422.8	618.9
Ending cash flow	**522.1**	**802.3**	**422.8**	618.9	786.1

Profitability Ratios (%)	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**
EBIT margin	1.9%	8.6%	9.9%	10.2%	10.1%
PBT margin	-1.2%	3.8%	5.4%	8.1%	8.3%
Net profit margin	1.7%	4.3%	5.3%	7.2%	7.2%
Core net profit margin	1.7%	5.5%	4.9%	6.7%	6.6%
ROA	0.9%	8.2%	2.2%	3.2%	3.2%
ROE	-2.5%	-1.7%	17.7%	24.9%	25.3%

Growth (%)	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**
Revenue growth	-	-	11.9%	5.8%	6.1%
PBT growth	-	-	58.0%	58.6%	8.7%
Net profit growth	-	-	38.2%	43.3%	6.1%
Core net profit growth	-	-	-1.3%	45.0%	4.5%

Source: Capital A, MBSBR

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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