Corporate Update

Bermaz Auto Berhad

(5248 | BAUTO MK) Main | Consumer Products & Services

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

Maintain **NEUTRAL**

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

3QFY26 Results Review
Surprise on the Upside

Maintain NEUTRAL. BAuto's 3QFY26 results came in ahead of expectations, driven by strong domestic performance following the rollout of new models, including the Mazda 1.5L in Nov-25 (which accounts for >70% of Mazda MY's outstanding orders) and the XPeng X9 in Mar-25. Mazda MY's backlog stands at 3.5k units, while XPeng and Mazda PH have backlogs of roughly 150 units each. We raised our target price to **RM0.77** (from RM0.65) following the earnings upgrades and after ascribing a higher 8x P/E (from 7x), which remains -1SD below its 5-year mean. While the sales outlook is improving, competition in the non-national segment remains intense.

Above expectations. BAuto reported core PATAMI of RM31.5m for 3QFY26, bringing its 9MFY26 total to RM58.8m, representing 82%/81% of our/consensus full-year estimates. We had anticipated a stronger performance in 2HFY26, but nevertheless, margins for the MY operations came in better than expected. The Group declared a third interim dividend of 1.75 sen, bringing the 9MFY26 total to 3.75 sen (DPR: 73%).

The new Mazda 3 variant drove domestic sales. Group's revenue rose +13.5%yoy in 3QFY26, driven by stronger domestic operations (+15.2%yoy) following new model launches from Mazda and XPeng. Mazda's domestic unit sales (+16.7%yoy) were mainly supported by the Mazda 3 1.5L High+, which increased 7.4x. This offset weaker Philippines operations, where revenue fell (-6.0%yoy) despite Mazda PH unit sales (+12.1%yoy) rising, likely due to sales mix. Associates' contribution turned into a loss (vs. a small profit of RM0.3m in 3QFY25) as Kia Malaysia Sdn Bhd was impacted by retroactive idle capacity charges amid weaker CKD production. Core PATAMI rose +34.4%yoy, supported by improved margins from domestic operations, partly offset by a higher effective tax rate.

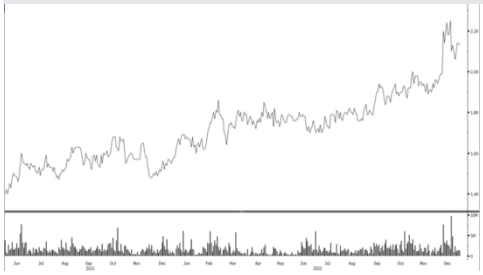
Associates sank further into the red. Compared with 2QFY26, revenue increased +22.8%qoq, driven by stronger domestic operations (+25.6%qoq) and supported by higher unit sales from Mazda (+35.9%qoq) and XPeng (+29.9%qoq). Kia sales rose 1.3x, driven by stock buybacks by the principal distributor following the discontinuation of BAuto's Kia operations. In the Philippines market, revenue declined -5.8%qoq, in line with weaker Mazda PH (-2.3%qoq) sales. Associates' contribution (-70.7%qoq) widened its losses, for the reason explained above. Overall, core PATAMI rose +68.4%qoq, with margins expanding by 1.2 ppts.

Earnings estimates. We raised our earnings forecasts by +22%/+2%/+9% for FY26E/FY27F/FY28F, mainly reflecting improved margins with minimal changes to our unit sales assumptions.

RETURN STATISTICS

Price @ 12th March 2026 (RM)	0.86
Expected share price return (%)	-10.2
Expected dividend yield (%)	+5.8
Expected total return (%)	-4.4

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	0.6	2.3
3 months	21.1	15.9
12 months	-14.9	-24.9

INVESTMENT STATISTICS

FYE Apr	2026E	2027F	2028F
Revenue	2,472.6	2,533.0	2,632.3
Operating profit	175.6	179.8	184.3
PBT	140.5	165.2	185.0
Core PATAMI	87.5	110.0	123.2
Core EPS (sen)	7.7	9.7	10.8
DPS (sen)	5.0	6.3	7.0
Dividend yield	5.8%	7.3%	8.1%

KEY STATISTICS

FBM KLCI	1,711.01
Issued shares (m)	1,158.65
Estimated free float (%)	59.1
Market Capitalisation (RM'm)	976.5
52-wk price range	RM0.50-RM1.18
3-mth average daily volume (m)	4.7
3-mth average daily value	3.7
Top Shareholders (%)	
Dynamic Milestone Sdn Bhd	16.5
Amanah Saham Nasional Bhd	7.6
Lembaga Tabung Haji	7.0

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BAUTO: 3QFY26 RESULTS SUMMARY

FYE Apr (RM'm)	Quarterly					Cumulatively		
Income Statement	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
Revenue	683.2	556.5	602.1	22.8%	13.5%	1,731.0	2,095.1	-17.4%
Malaysia	636.6	506.9	552.4	25.6%	15.2%	1,568.5	1,889.1	-17.0%
Philippines	46.7	49.5	49.7	-5.8%	-6.0%	162.5	206.1	-21.2%
Operating profit	70.2	36.6	35.1	91.7%	99.9%	134.2	177.3	-24.3%
Malaysia	67.6	33.0	27.7	105.2%	143.8%	122.7	143.4	-14.5%
Philippines	3.0	3.2	7.9	-5.1%	-62.2%	13.4	35.6	-62.4%
Net finance costs	0.7	-0.2	-0.5	565.6%	241.1%	0.01	-2.0	100.5%
Associates	-11.3	-6.6	0.3	-70.7%	-4392.4%	-27.3	14.4	-289.4%
PBT	59.6	28.4	34.8	109.8%	71.0%	106.9	189.7	-43.6%
Tax expense	-21.1	-10.1	-8.6	-108.7%	-145.5%	-39.6	-45.3	12.7%
PATAMI	32.6	17.2	24.1	89.8%	35.2%	58.1	134.7	-56.9%
Core PATAMI	31.5	18.7	23.4	68.4%	34.4%	58.8	133.9	-56.1%
				ppts	**ppts**			**ppts**
OP margin	10.3%	6.6%	5.8%	3.7	4.4	7.8%	8.5%	-0.7
OP margin MY	10.6%	6.5%	5.0%	4.1	5.6	7.8%	7.6%	0.2
OP margin PH	6.4%	6.4%	15.9%	0.0	-9.5	8.2%	17.3%	-9.0
PBT margin	8.7%	5.1%	5.8%	3.6	2.9	6.2%	9.1%	-2.9
Core PATAMI margin	4.6%	3.4%	3.9%	1.2	0.7	3.4%	6.4%	-3.0
Effective tax rate	-35.5%	-35.7%	-24.7%	0.2	-10.8	-37.0%	-23.9%	-13.1

SHARE OF RESULTS OF ASSOCIATES

FYE Apr (RM'm)	Quarterly					Cumulatively		
PAT	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
Mazda Malaysia	-1.5	0.9	-0.3	-259.4%	-349.2%	-0.8	8.5	-109.0%
Inokom	0.9	0.4	1.4	135.5%	-34.7%	-4.4	6.5	-168.2%
KIA Malaysia Sdn Bhd	-10.6	-7.8	-0.6	-35.3%	-1676.1%	-21.6	0.2	-8895.9%
Other	-0.2	-0.1	-0.2	-62.3%	-13.1%	-0.6	-0.8	30.6%
Total	-11.3	-6.6	0.3	-70.7%	-4392.4%	-27.3	14.4	-289.4%
Units sold	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
Mazda Malaysia	1,814	2,395	2,735	-24.3%	-33.7%	6,134	8,067	-24.0%
Inokom	10,861	10,356	8,353	4.9%	30.0%	28,207	29,865	-5.6%
KIA Malaysia Sdn Bhd	371	119	669	211.8%	-44.5%	594	2,714	-78.1%

Source: BAuto, MBSBR

UNIT SOLD BY MODELS (MALAYSIA)

FYE April (Units)	Quarterly					Cumulatively		
Mazda CBU	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
Mazda 2	4	4	10	0.0%	-60.0%	14	96	-85.4%
Mazda 3	1,357	473	183	186.9%	641.5%	1,930	777	148.4%
Mazda 6	-	4	9	-	-	9	34	-73.5%
CX-3	4	10	44	-60.0%	-90.9%	45	351	-87.2%
CX-60	227	472	-	-51.9%	-	699	-	-
CX-9	1	2	3	-50.0%	-66.7%	4	17	-76.5%
CX-80	18	10	-	80.0%	-	28	-	-
MX-5	2	7	1	-71.4%	100.0%	13	10	30.0%
BT-50	37	1	-1	3600.0%	3800.0%	42	24	75.0%
	1,650	983	249	67.9%	562.7%	2,784	1,310	112.5%
Mazda CKD	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
CX-5	771	473	1,089	63.0%	-29.2%	1,928	4,057	-52.5%
CX-8	223	219	219	1.8%	1.8%	627	890	-29.6%
CX-30	457	607	1,101	-24.7%	-58.5%	1,637	3,260	-49.8%
	1,451	1,299	2,409	11.7%	-39.8%	4,192	8,207	-48.9%
KIA CBU	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
EV6	-	-	-	-	-	2	2	0.0%
Niro	-	-	6	-	-	-	6	-
EV9	16	-	5	-	220.0%	17	41	-58.5%
	16	0	11	-	45.5%	19	49	-61.2%
KIA CKD	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
Carnival	127	75	143	69.3%	-11.2%	319	535	-40.4%
Sorento	12	6	17	100.0%	-29.4%	21	39	-46.2%
Sportage	191	39	88	389.7%	117.0%	302	88	243.2%
	330	120	248	175.0%	33.1%	1,223	662	84.7%
XPeng CBU	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
G6	305	212	341	43.9%	-10.6%	645	497	29.8%
X9	168	152	-	10.5%	-	578	-	-
	473	364	341	29.9%	38.7%	1,223	497	-
Total Volume	**3,920**	**2,766**	**3,260**	**41.7%**	**20.2%**	**8,860**	**11,169**	**-20.7%**

Source: BAuto, MBSBR

UNITS SOLD BY MODELS (PHILIPPINES)

	Quarterly					Cumulatively		
Mazda CBU	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
Mazda 2	3	8	8	-62.5%	-62.5%	11	28	-60.7%
Mazda 3	70	53	13	32.1%	438.5%	176	146	20.5%
Mazda 6	1	2	4	-50.0%	-75.0%	4	16	-75.0%
CX-3	-	-	-	-	-	-	7	-
CX-30	21	13	6	61.5%	250.0%	45	32	40.6%
CX-5	31	25	56	24.0%	-44.6%	93	194	-52.1%
CX-60	64	49	34	30.6%	88.2%	201	275	-26.9%
CX-8	39	53	86	-26.4%	-54.7%	137	239	-42.7%
CX-9	-	-	31	-	-	-	97	-
CX-90	43	31	41	38.7%	4.9%	110	166	-33.7%
MX-5	41	53	26	-22.6%	57.7%	159	83	91.6%
BT-50	29	63	-	-54.0%	-	220	45	388.9%
Total Volume	342	350	305	-2.3%	12.1%	1,156	1,328	-13.0%

SUMMARY OF UNITS SOLD

	Quarterly					Cumulatively		
Marques	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
Mazda (MY)	3,101	2,282	2,658	35.9%	16.7%	6,976	9,517	-26.7%
Kia (MY)	346	120	259	188.3%	33.6%	1,242	711	74.7%
XPeng (MY)	473	364	341	29.9%	38.7%	1,223	497	146.1%
Mazda (PH)	342	350	305	-2.3%	12.1%	1,156	1,328	-13.0%
Total Volume	3,920	2,766	3,258	41.7%	20.3%	9,441	10,725	-12.0%

Source: BAuto, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026E	2027F	2028F
Revenue	3,911.0	2,623.8	2,472.6	2,533.0	2,632.3
Operating profit	436.0	212.7	175.6	179.8	184.3
PBT	483.7	224.3	140.5	165.2	185.0
Taxation	-111.4	-56.5	-33.7	-39.7	-44.4
PATAMI	345.6	155.9	87.5	110.0	123.2
Core PATAMI	347.9	155.6	87.5	110.0	123.2
EPS (sen)	30.5	13.7	7.7	9.7	10.8
PER (x)	2.8x	6.3x	11.2x	8.9x	8.0x
DPS (sen)	26.0	16.8	5.0	6.3	7.0
Dividend yield (%)	30.2%	19.5%	5.8%	7.3%	8.1%

Cash Flow (RM'm)	2024A	2025A	2026E	2027F	2028F
PBT	483.7	224.3	140.5	165.2	185.0
D&A	26.8	25.9	23.9	22.2	20.9
Operating cash flow	**202.2**	**226.1**	**164.4**	**187.4**	**205.9**
Capex	-14.2	-9.8	-15.0	-15.0	-15.0
Investing cash flow	**-15.0**	**69.7**	**-15.0**	**-15.0**	**-15.0**
Dividends paid	-297.7	-344.8	-57.0	-71.8	-79.8
Debt raised/(repaid)	-37.5	163.1	-5.0	-5.0	-4.0
Financing cash flow	**-361.4**	**-224.5**	**-62.0**	**-76.8**	**-83.8**
Net cash flow	**-174.2**	**71.3**	**87.4**	**95.6**	**107.1**
Beginning cash	**0.0**	**537.6**	**432.8**	**520.3**	**615.9**
Ending cash	**364.8**	**432.8**	**520.3**	**615.9**	**723.0**

Balance Sheet (RM'm)	2024A	2025A	2026E	2027F	2028F
PPE	48.0	45.6	50.4	51.3	51.9
ROU assets	84.0	80.9	62.8	55.2	49.2
Non-current assets	**609.7**	**534.8**	**521.5**	**514.9**	**509.5**
Inventories	686.8	499.1	233.4	239.1	248.8
Receivables	223.7	209.8	173.7	177.9	184.9
Cash balances	59.2	126.3	520.3	615.9	723.0
Current assets	**1,277.5**	**1,156.2**	**1,094.9**	**1,141.9**	**1,198.9**
LT borrowings	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**387.2**	**367.9**	**367.9**	**367.9**	**367.9**
ST borrowings	62.5	225.6	52.5	47.5	43.5
Payables	381.0	225.9	293.9	301.1	313.2
Current liabilities	**591.3**	**587.9**	**482.8**	**484.9**	**493.1**
Share capital	626.2	629.4	629.4	629.4	629.4
Reserves	196.0	29.7	60.2	98.4	141.8
Total equity	**908.6**	**735.2**	**765.7**	**803.9**	**847.3**

Profitability Ratios (%)	2024A	2025A	2026E	2027F	2028F
OP margin	11.1%	8.1%	7.1%	7.1%	7.0%
PBT margin	12.4%	8.5%	5.7%	6.5%	7.0%
PATAMI margin	8.8%	5.9%	3.5%	4.3%	4.7%
Core PATAMI margin	8.9%	5.9%	3.5%	4.3%	4.7%
ROA	18.4%	9.2%	5.4%	6.6%	7.2%
ROE	38.3%	21.2%	11.4%	13.7%	14.5%

Growth (%)	2024A	2025A	2026E	2027F	2028F
Revenue growth	10.5%	-32.9%	-5.8%	2.4%	3.9%
PBT growth	14.3%	-53.6%	-37.4%	17.6%	12.0%
PATAMI growth	13.0%	-54.9%	-43.9%	25.7%	12.0%
Core PATAMI growth	14.6%	-55.3%	-43.8%	25.7%	12.0%

Source: BAuto, MBSBR

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MBSB INVESTMENT BANK (formerly known as 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 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