Corporate Update

Bursa Malaysia Berhad

(1818 | BURSA MK) Main | Financial Services

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1QFY26 Result Review: Momentum Continued

Maintain NEUTRAL. Bursa Malaysia Bhd (Bursa) continued its momentum at the start of the year, as we expected. We expect that FY26 will see an improvement in earnings mainly on the improving outlook. Notwithstanding the Middle East conflict, we expect trading activities will improve this year, and the volatility induced by the conflict may provide further support. We are revising our **TP** higher to **RM8.85** (from 8.75) as we rollover our valuation to FY27. We also revise our PER to 23x which is its 2y-average PER (from 24.5x which is +1SD of its 2-average PER) as some cautiousness may prevail due to the conflict. However, we believe that the positives have already been priced in. Hence, we maintain our **NEUTRAL** recommendation. Rerating catalyst will be further details to be announced on the MY value-up program.

Within expectations. Bursa 1QFY26 earnings was within expectations at 25.2%/25% of our/consensus full year estimate. PATAMI rose +6.4%yoy, supported by higher revenue.

Revenue momentum continued. Total revenue in 1QFY26 saw momentum continued as it grew +12.2%qoq. On a yearly basis, it grew +16.1%yoy on higher securities trading. Trading revenue increased +14.7%yoy to RM127.6m driven by securities trading revenue which rose +18.9%yoy to RM91.2m. Meanwhile, non-trading revenue +19.3%yoy to RM79.3m due to stronger listing & issuer services (+71.0%yoy to RM28.0m) as a result of higher annual listing fees.

Strong recovery in ADV. Average Daily Value (ADV) (OMT) in 1QFY26 expanded +27.0%yoy RM3.34b. All segments saw higher ADV with the most coming from local institutions (+44.3%yoy to RM1.43b), followed by foreign institutions (+20.2%yoy to RM1.02b) and retail (+12.5%yoy to RM892m). New listings were also higher with 16 IPOs (vs. 14 in 1QFY25), highest in ASEAN by number of IPOs, funds raised and market capitalisation.

Higher OPEX expected. OPEX in 1QFY26 grew +24.2%yoy to RM115.3m driven by doubling of other expenses (to RM24.9m from RM12.1m in 1QFY25) coming from new regulatory fees, which we have taken into account in our forecast. Staff costs also continued to be higher as it grew +18.1%yoy to RM55.0m due to investment in talent.

Outlook. As we expected, Bursa have seen an improvement in its performance in this year given our sanguine outlook of Malaysian equities market. We have seen trading activities have picked up in 1QFY26. Nevertheless, the Middle East conflict may dampen the momentum slightly. Having said that, we observed that the market seems to have moved past the conflict, at least for now. In addition, we believe that any induced volatility will be benefit Bursa Malaysia given that it may engender higher trading activities.

Conservative FY26 target. Bursa targets an ROE of 27% to 30% for FY26 (FY25: 30%), which we deem as conservative. We understand that this is due to the capex expected for this year and growth in OPEX.

No change to earnings. We make no changes to our FY26/FY27 earnings.

Maintain NEUTRAL

Revised Target Price **RM8.85**
(from RM8.75)

RETURN STATISTICS	
Price @ 30th April 2026 (RM)	8.55
Expected share price return (%)	+3.5
Expected dividend yield (%)	+4.0
Expected total return (%)	+7.5

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-0.8	-2.3
3months	0.5	-3.9
12 months	16.2	4.1

INVESTMENT STATISTICS

FYE Dec	2025A	2026F	2027F
Revenue	727.7	774.7	792.1
Operating Profit	339.1	375.7	404.0
Profit Before Tax	339.1	375.7	0.0
Core PATAMI	250.9	289.3	0.0
Core EPS	31.0	35.7	38.4
DPS	28.0	34.0	36.5
Dividend Yield	3.3%	4.0%	4.3%

KEY STATISTICS

FBM KLCI	1,722.02
Issue shares (m)	809.30
Estimated free float (%)	73.80
Market Capitalisation (RM'm)	6,919.51
52-wk price range	RM7.37 - RM9.18
3-mth average daily volume (m)	1.29
3-mth average daily value (RM'm)	11.39
Top Shareholders (%)	
Capital Market Dvlp Fund	18.57
EPF	15.02
KWAP	11.17

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1QFY26 RESULTS SUMMARY

FYE Dec (RM'm)	1QFY26	1QFY25	4QFY25	YoY Chg	QoQ Chg
Operating revenue	206.9	177.7	183.7	16.4%	12.6%
Other income	7.2	6.7	7.2	7.4%	0.3%
Total revenue	**214.1**	**184.4**	**190.9**	**16.1%**	**12.2%**
Staff costs	(55.0)	(46.6)	(53.6)	18.1%	2.7%
Depreciation and amortisation	(9.5)	(9.1)	(9.3)	3.5%	1.4%
Other operating expenses	(51.0)	(37.3)	(44.5)	36.7%	14.5%
EBITDA	**108.2**	**100.6**	**92.9**	**7.5%**	**16.5%**
Pre-tax profit	**98.8**	**91.5**	**83.6**	**7.9%**	**18.2%**
Taxation	(26.4)	(23.4)	(23.2)	12.6%	13.6%
PATAMI	**73.0**	**68.6**	**61.0**	**6.4%**	**19.7%**
EPS (sen)	9.0	8.5	7.5	5.9%	20.0%
Key Matric	**1QFY26**	**1QFY25**	**4QFY25**	**+/- ppts**	**+/- ppts**
Cost-to-income ratio	53.9%	50.4%	56.3%	3.5	-2.4
EBITDA margin	50.5%	54.6%	48.7%	-4.0	1.9
PATAMI margin	34.1%	37.2%	31.9%	-3.1	2.1
Effective tax rate	26.7%	25.6%	27.8%	1.1	-1.1

Operating revenue	1QFY26	1QFY25	4QFY25	YoY Chg	QoQ Chg
Securities trading revenue	91.2	76.7	82.9	18.9%	10.0%
Derivatives trading revenue	29.0	28.9	29.6	0.3%	-2.3%
Bursa Suq Al-Sila (BSAS)	5.2	4.9	5.2	5.8%	-1.2%
Listing and issuer services	27.9	16.3	19.7	71.0%	41.7%
Depository services	18.2	17.0	16.5	7.3%	10.2%
Market data	19.5	19.4	21.2	0.7%	-7.6%
Member services and connectivity	7.2	6.6	6.9	9.1%	5.2%
	1QFY26	**1QFY25**	**4QFY25**	**YoY Chg**	**QoQ Chg**
Total ADV (OMT & DBT) (RM 'b)	3.50	2.80	3.01	25.0%	16.3%
Total av. Daily trading volume (OMT & DBT) (billion shares)	3.28	3.37	3.7	-2.7%	-12.1%
Velocity (%)	39.0	33.0	32.0	18.2%	21.9%
No. of IPOs	16	14	19	14.3%	-15.8%
Total funds raised - IPO (RM 'm)	3,404.4	1,265.1	1,601.0	>100%	>100%
Total funds raised - Secondary issues (RM 'm)	1,436.4	900.8	1,198.3	59.5%	19.9%
No. trading days	58	58	64	0	-6

Source: Company, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025A	2026F	2027F
Revenue	616.5	784.5	727.7	774.7	792.1
EBITDA	358.8	445.8	373.8	414.4	451.5
PBT	321.5	410.4	337.1	375.7	404.0
Taxation	-70.0	-101.7	-88.4	-87.9	-94.4
PAT	251.5	308.6	248.6	287.8	309.6
MI	-0.8	-1.5	-1.5	-1.5	-1.5
PATAMI	252.3	310.1	250.2	289.3	311.1
Core PATAMI	252.3	310.1	250.2	289.3	311.1
EPS (sen)	31.2	38.3	31.0	35.7	38.4
PER (x)	28.9	23.6	29.1	25.2	23.5
DPS (sen)	29.0	44.0	28.0	34.0	36.5
Dividend yield (%)	3.4	5.1	3.3	4.0	4.3
Growth (%)	**2023A**	**2024A**	**2025E**	**2026F**	**2027F**
Revenue growth	2.2	27.3	-7.2	6.4	2.3
PBT growth	3.7	27.7	-17.9	11.5	7.5
PATAMI growth	11.4	22.9	-19.3	15.6	7.5
Core PATAMI growth	11.4	22.9	-19.3	15.6	7.5

Source: Bloomberg, 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 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