Capital A Berhad

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

SHARIAH Compliant

ESG 3 Stars

Corporate Update

Maintain BUY

Unchanged Target Price **RM0.77**

1QFY26 Results Review
Softer Quarterly Performance

Maintain BUY. Capital A Berhad (Capital A) reported a weaker-than-expected set of 1QFY26 earnings. Nevertheless, we highlight that the group's earnings profile is generally more heavily skewed towards the second half of the financial year. We maintain our SOP-based target price of **RM0.77**, though with a downside bias, pending further insights from today's briefing before making any revisions to our earnings estimates.

Below expectations. Capital A's 1QFY26 core net profit of RM26.9m came in below expectations, accounting for only 11%/12% of our/consensus full-year estimates.

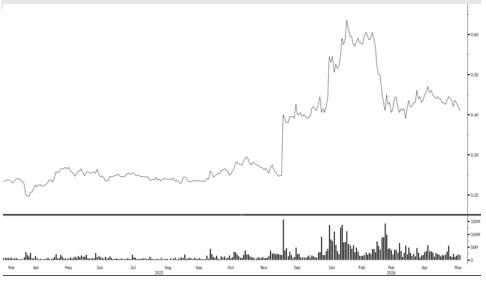
Strong turnaround in 1QFY26. Post-elimination adjustments, the group's revenue increased by +84.9%yoy, while EBITDA turned positive to RM99.1m from a loss of -RM138.4m in 1QFY25. Based on pre-elimination adjustment figures, ADE's revenue grew by +7.3%yoy, driven by the expansion of its line maintenance operations and a larger third-party client base, with EBITDA margin remaining stable at 19.4%. Meanwhile, Teleport recorded a strong revenue growth of +19.6%yoy, supported by a +24.7%yoy increase in tonnage moved and a +121.6%yoy rise in parcel volume, although EBITDA declined by -5.6%yoy. AirAsia Move saw revenue decrease by -5.6%yoy despite a +23.4%yoy growth in monthly active users and a +9.1% increase in the number of transactions, while EBITDA fell by -12.2%yoy. Core net profit came in at RM26.9m, marking a turnaround from a core net loss of -RM211.0m in 1QFY25.

Sequential weakness may reflect seasonal trends. Compared to 4QFY25, the group's revenue was marginally lower by -0.3%qoq. ADE recorded a revenue decline of -9.9%qoq, with EBITDA decreasing by -22.3%qoq. Meanwhile, Teleport's revenue fell by -16.0%qoq, in line with declines in total tonnage and number of parcels moved of -5.7%qoq and -1.9%qoq respectively, although EBITDA margins remained largely unchanged. AirAsia Move saw revenue and EBITDA decline by -59.3%qoq and -67.8%qoq respectively, likely due to seasonality factors. Core net profit of RM26.9m, marked a reversal from a core net loss of -RM181.3m recorded in 4QFY25.

Earnings estimates. We maintain our earnings estimates pending today's briefing. Previously, management had guided for FY26 revenue of RM3.8b, EBITDA of RM600.0m, and net operating profit of RM266.0m.

RETURN STATISTICS	
Price @ 18th May 2026 (RM)	0.41
Expected share price return (%)	+88.9
Expected dividend yield (%)	0.0
Expected total return (%)	+88.9

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-12.8	-14.4
3 months	-1.2	-30.1
12 months	53.0	37.8

INVESTMENT STATISTICS

FYE Dec	2025A	2026F	2027F
Revenue	1,866.9	3,589.6	3,808.3
EBIT	-609.1	365.9	386.3
PBT	-791.7	290.8	316.1
Net profit	-794.6	258.4	274.2
Core net profit	-806.6	240.5	251.3
EPS (sen)	-18.5	5.5	5.8

KEY STATISTICS	
FBM KLCI	1,727.71
Issued shares (m)	4430.20
Estimated free float (%)	68.28
Market Capitalisation (RM'm)	1,833.21
52-wk price range	RM0.22 - RM0.64
3-mth average daily volume (m)	35.06
3-mth average daily value	16.02
Top Shareholders (%)	
Tune Air Sdn Bhd	11.55
Tune Live Sdn Bhd	11.38
Positive Boom Limited	7.44

Analyst
Amalia Zarir
amalia.zarir@mbsb.com
03-2173 8357

CAPITAL A: 1QFY26 RESULTS SUMMARY

FYE Dec (RM'm)	Quarterly					Cumulatively		
Income Statement	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**	**3MFY26**	**3MFY25**	**YoY**
Revenue	766.6	769.1	414.5	-0.3%	84.9%	766.6	414.5	84.9%
EBITDA	99.1	-119.0	-138.4	183.3%	171.6%	99.1	-138.4	171.6%
EBIT	70.8	-150.9	-163.6	146.9%	143.3%	70.8	-163.6	143.3%
Net finance costs	-42.6	-38.9	-45.4	-9.5%	6.3%	-42.6	-45.4	6.3%
PBT	26.4	-183.4	-188.4	114.4%	114.0%	26.4	-188.4	114.0%
Taxation	-1.3	8.5	-2.0	-115.6%	33.2%	-1.3	-2.0	33.2%
Net profit	25.1	-174.9	-190.4	114.3%	113.2%	25.1	-190.4	113.2%
Core net profit	26.9	-181.3	-211.0	114.8%	112.8%	26.9	-211.0	112.8%
				ppts	**ppts**			**ppts**
EBIT margin	9.2%	-19.6%	-39.5%	28.9	48.7	9.2%	-39.5%	48.7
PBT margin	3.4%	-23.8%	-45.5%	27.3	48.9	3.4%	-45.5%	48.9
Core net profit margin	3.5%	-23.6%	-50.9%	27.1	54.4	3.5%	-50.9%	54.4
Effective tax rate	-5.0%	-4.6%	1.1%	-0.4	-6.1	-5.0%	1.1%	-6.1

SEGMENTAL BREAKDOWN (before elimination adjustments)

FYE Dec (RM'm)	Quarterly					Cumulatively		
Revenue	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**	**3MFY26**	**3MFY25**	**YoY**
Teleport (logistics)	308.7	367.4	258.2	-16.0%	19.6%	308.7	258.2	19.6%
ADE (MRO)	222.2	246.6	207.0	-9.9%	7.3%	222.2	207.0	7.3%
AirAsia MOVE (OTA)	120.0	295.3	127.2	-59.3%	-5.6%	120.0	127.2	-5.6%
Santan (F&B)	50.4	64.1	52.3	-21.4%	-3.8%	50.4	52.3	-3.8%
AirAsia Next (brand, fintech)	66.3	63.2	69.8	4.9%	-5.0%	66.3	69.8	-5.0%
EBITDA	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**	**3MFY26**	**3MFY25**	**YoY**
Teleport (logistics)	21.5	25.3	22.7	-15.2%	-5.6%	21.5	22.7	-5.6%
ADE (MRO)	43.1	55.4	40.1	-22.3%	7.4%	43.1	40.1	7.4%
AirAsia MOVE (OTA)	14.1	43.8	16.1	-67.8%	-12.2%	14.1	16.1	-12.2%
Santan (F&B)	2.3	4.6	6.4	-48.9%	-63.4%	2.3	6.4	-63.4%
AirAsia Next (brand, fintech)	29.2	22.6	35.0	29.3%	-16.5%	29.2	35.0	-16.5%
EBITDA margin	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**	**3MFY26**	**3MFY25**	**YoY**
Teleport (logistics)	7.0%	6.9%	8.8%	0.1	-1.9	7.0%	8.8%	-1.9
ADE (MRO)	19.4%	22.5%	19.4%	-3.1	0.0	19.4%	19.4%	0.0
AirAsia MOVE (OTA)	11.7%	14.8%	12.6%	-3.1	-0.9	11.7%	12.6%	-0.9
Santan (F&B)	4.6%	7.1%	12.2%	-2.5	-7.5	4.6%	12.2%	-7.5
AirAsia Next (brand, fintech)	44.1%	35.8%	50.1%	8.3	-6.1	44.1%	50.1%	-6.1

OPERATING STATISTICS

Key Indicators	Quarterly				
AirAsia MOVE	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**
Monthly active users	17,690,825	14,780,000	14,340,741	19.7%	23.4%
No. of transactions	12,315,454	3,207,000	11,285,724	284.0%	9.1%
Ancillary: Units sold	8,994,032	-	7,820,072	-	15.0%
AirAsia Flights: Seats sold	7,012,119	-	6,720,111	-	4.3%
FlyBeyond: Seats sold	123,461	-	150,716	-	-18.1%
Stays: Room nights	103,970	-	102,198	-	1.7%
Wano: Seats sold	8,913,107	-	7,688,975	-	15.9%
Teleport	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**
Tonnage (tonnes)	96,784	102,688	77,627	-5.7%	24.7%
AirAsia	72,548	-	60,082	-	20.7%
Freighter	10,684	-	11,087	-	-3.6%
3rd party	13,552	-	6,458	-	109.8%
No. of parcels ('000)	61,740	62,932	27,858	-1.9%	121.6%

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	1,709.7	1,866.9	3,589.6	3,808.3
EBITDA	412.0	-628.2	-501.3	591.3	624.7
EBIT	280.5	-689.7	-609.1	365.9	386.3
PBT	-177.0	-891.1	-791.7	290.8	316.1
Net profit	255.3	-881.7	-794.6	258.4	274.2
Core net profit	249.3	-844.1	-806.6	240.5	251.3
EPS (sen)	5.7	-19.3	-18.5	5.5	5.8
PER (x)	-	-	-	7.4x	7.1x

Balance Sheet (RM'm)	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**
ROU assets	13,266.0	404.1	571.8	588.9	606.6
PPE	1,580.4	228.2	312.3	321.7	331.3
Non-current assets	**26,454.8**	**958.4**	**1,357.4**	**1,398.2**	**1,440.1**
Trade debtors	1,266.7	391.3	433.5	446.5	459.9
Cash & cash equivalents	702.8	431.2	432.6	445.6	459.0
Current assets	**2,498.8**	**1,094.0**	**6,210.5**	**6,396.8**	**6,588.7**
Long-term debt	3,580.6	839.7	550.8	567.3	584.3
Non-current liabilities	**23,940.9**	**994.5**	**938.4**	**966.6**	**995.6**
Trade creditors	4,206.3	653.6	3,702.1	3,813.1	3,927.5
Short-term debt	862.3	636.0	730.9	752.8	775.4
Current liabilities	**15,105.1**	**1,372.2**	**5,708.2**	**5,879.5**	**6,055.8**
Share capital	8,711.7	8,768.6	8,819.4	8,819.4	8,819.4
Retained earnings	138.6	41.8	-2,548.9	-2,421.5	-2,300.4
Equity	**-10,092.4**	**-10,015.0**	**921.2**	**948.9**	**977.3**

Cash Flow (RM'm)	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**
PBT	-816.4	-891.1	10,528.5	290.8	316.1
Operating cash flow	1,413.4	-863.1	451.0	-206.1	122.5
Investing cash flow	-101.6	-213.2	-1,791.7	-100.0	-150.0
Financing cash flow	-1,169.7	99.0	-278.1	0.0	0.0
Net cash flow	**142.1**	**-424.3**	**203.9**	-306.1	-27.5
Beginning cash flow	**336.8**	**522.1**	**349.3**	802.2	496.2
Ending cash flow	**522.1**	**349.3**	**802.2**	496.2	468.6

Profitability Ratios (%)	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**
EBIT margin	1.9%	-40.3%	-32.6%	10.2%	10.1%
PBT margin	-1.2%	-52.1%	-42.4%	8.1%	8.3%
Net profit margin	1.7%	-51.6%	-42.6%	7.2%	7.2%
Core net profit margin	1.7%	-49.4%	-43.2%	6.7%	6.6%
ROA	0.9%	-41.1%	-10.7%	3.1%	3.1%
ROE	-2.5%	8.4%	-87.6%	25.3%	25.7%

Growth (%)	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**
Revenue	-	-	9.2%	92.3%	6.1%
PBT	-	-	11.2%	136.7%	8.7%
Net profit	-	-	9.9%	132.5%	6.1%
Core net profit	-	-	4.4%	129.8%	4.5%

Source: Capital A, 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