Bermaz Auto Berhad

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

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

Corporate Update

4QFY26 Results Review
Solid, Yet Historically Soft

Maintain NEUTRAL. Bermaz Auto Berhad's (BAuto) 4QFY26 results came in ahead of expectations. Mazda MY's backlog moderated to 2.0k units (from 3.5k units in 3QFY26), while XPeng and Mazda PH backlogs stood at approximately 200 units and 150 units, respectively. Following our earnings upgrades, we raise our target price to **RM0.85** (from RM0.77), based on an unchanged 8x FY27F P/E. The valuation remains at a 1SD discount to its 5-year historical mean, reflecting continued intense competition in the non-national segment.

Above expectations. BAuto reported core PATAMI of RM44.8m for 4QFY26, bringing its FY26 total to RM103.6m, surpassing expectations and exceeding our/consensus full-year estimates by +18%/+24%. Profit margins from its Malaysian operations were stronger than anticipated. The Group declared a fourth interim dividend of 1.75 sen and a special dividend of 1.75 sen, taking the FY26 total dividend to 7.25 sen (DPR: 80%; ex-special: 61%)

New Mazda 3 variant steered sales higher. Group revenue grew by +3.0%yoy in 4QFY26, underpinned by stronger performance from its domestic operations (+6.7%yoy), driven by a +45.5%yoy increase in Mazda MY unit sales. Growth was solely driven by the Mazda 3 1.5L High+, which recorded a 6.8x rise in sales. This helped cushion the impact of weaker operations in the Philippines, where revenue declined by -24.1%yoy following an -18.0%yoy drop in Mazda PH unit sales. Meanwhile, associates' contributions rebounded, mainly due to Mazda MY's year-end reconciliation of assembly volume commitments. Altogether, core PATAMI increased 2.1x, supported by stronger domestic margins and a lower effective tax rate.

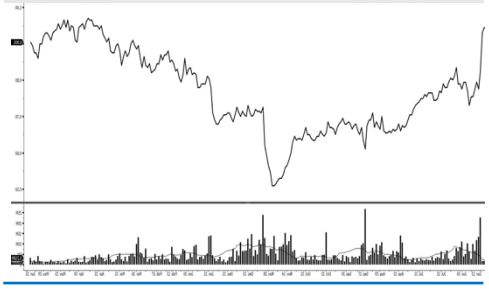
Margins improved sequentially without heavy discounts. Compared with 3QFY26, revenue declined by -20.3%qoq, mainly due to weaker domestic operations, with Mazda MY unit sales falling -8.5%qoq. Despite the lower sales volume, operating profit increased by +17.9%qoq, supported by improved margins following the heavy discounts offered on higher-variant models in 3QFY26 to clear inventory. Meanwhile, the Philippines operation performed slightly better, with revenue rising +2.8%qoq on the back of an +8.2%qoq increase in unit sales, although operating profit declined by -15.1%qoq, likely due to an unfavourable sales mix. Similarly, core PATAMI rose +42.3%qoq, supported by stronger domestic margins and a lower effective tax rate.

Earnings estimates. We raised our FY27/FY28 earnings forecasts by +11%/+12%, mainly to reflect higher XPeng sales, as we believe the marque is well-positioned to benefit from the implementation of the new MITI regulations for CBU EVs, given its CKD plans. We also factored in slightly higher margins for the domestic operations.

Maintain **NEUTRAL**
Revised Target Price **RM0.85**
(from RM0.77)

RETURN STATISTICS	
Price @ 11th June 2026 (RM)	0.90
Expected share price return (%)	-5.5
Expected dividend yield (%)	7.7
Expected total return (%)	2.1

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-6.2	-2.3
3 months	2.8	10.4
12 months	-4.2	-13.0

INVESTMENT STATISTICS

FYE Apr	2026A	2027F	2028F
Revenue	2,275.6	2,695.2	2,815.7
Operating profit	198.9	191.4	197.1
PBT	174.3	176.8	197.9
Core PATAMI	103.6	122.3	138.2
Core EPS (sen)	9.0	10.6	12.0
DPS (sen)	5.9	6.9	7.8
Dividend yield	6.6%	7.7%	8.7%

KEY STATISTICS	
FBM KLCI	1,679.53
Issued shares (m)	1135.12
Estimated free float (%)	59.08
Market Capitalisation (RM'm)	1,026.28
52-wk price range	RM0.5 - RM0.99
3-mth average daily volume (m)	2.74
3-mth average daily value (RM'm)	2.49
Top Shareholders (%)	
Dynamic Milestone Sdn Bhd	16.60
Amanah Saham Nasional Bhd	7.62
Lembaga Tabung Haji	7.09

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

BAUTO: 4QFY26 RESULTS SUMMARY

FYE Apr (RM'm)	Quarterly					Cumulatively		
Income Statement	**4QFY26**	**3QFY26**	**4QFY25**	**QoQ**	**YoY**	**FY26**	**FY25**	**YoY**
Revenue	544.7	683.2	528.6	-20.3%	3.0%	2,275.6	2,622.3	-13.2%
Malaysia	496.6	636.6	465.3	-22.0%	6.7%	2,065.1	2,354.3	-12.3%
Philippines	48.0	46.7	63.3	2.8%	-24.1%	210.5	269.4	-21.9%
Operating profit	64.8	70.2	35.4	-7.7%	82.7%	198.9	212.2	-6.3%
Malaysia	79.7	67.6	27.5	17.9%	190.2%	202.3	170.8	18.4%
Philippines	2.5	3.0	8.7	-15.1%	-70.6%	15.9	44.2	-64.0%
Net finance costs	0.3	0.7	-0.5	-58.1%	159.1%	0.3	-2.5	112.5%
Associates	2.3	-11.3	-0.3	120.6%	869.3%	-25.0	11.8	-312.1%
PBT	67.4	59.6	34.6	13.2%	94.6%	174.3	221.5	-21.3%
Tax expense	-17.7	-21.1	-11.2	16.3%	-58.4%	-57.3	-56.0	-2.3%
PATAMI	46.6	32.6	21.2	42.9%	120.0%	104.7	153.6	-31.8%
Core PATAMI	44.8	31.5	21.7	42.3%	106.2%	103.6	153.3	-32.4%
				ppts	**ppts**			**ppts**
OP margin	11.9%	10.3%	6.7%	1.6	5.2	8.7%	8.1%	0.6
OP margin MY	16.0%	10.6%	5.9%	5.4	10.1	9.8%	7.3%	2.5
OP margin PH	5.3%	6.4%	13.7%	-1.1	-8.4	7.6%	16.4%	-8.8
PBT margin	12.4%	8.7%	6.5%	3.7	5.8	7.7%	8.4%	-0.8
Core PATAMI margin	8.2%	4.6%	4.1%	3.6	4.1	4.6%	5.8%	-1.3
Effective tax rate	-26.2%	-35.5%	-32.2%	9.2	6.0	-32.9%	-25.3%	-7.6

SHARE OF RESULTS OF ASSOCIATES

FYE Apr (RM'm)	Quarterly					Cumulatively		
PAT	**4QFY26**	**3QFY26**	**4QFY25**	**QoQ**	**YoY**	**FY26**	**FY25**	**YoY**
Mazda Malaysia	4.3	-1.5	2.9	393.2%	48.7%	3.5	11.4	-69.2%
Inokom	0.2	0.9	-2.4	-72.4%	110.2%	-4.2	1.7	-347.9%
KIA Malaysia Sdn Bhd	-2.0	-10.6	-0.6	80.7%	-270.7%	-23.6	-0.3	-7634.1%
Other	-0.2	-0.2	-0.2	28.6%	14.9%	-0.7	-1.0	27.7%
Total	2.3	-11.3	-0.3	120.6%	869.3%	-25.0	11.8	-312.1%
Units sold	**4QFY26**	**3QFY26**	**4QFY25**	**QoQ**	**YoY**	**FY26**	**FY25**	**YoY**
Mazda Malaysia	2,972	2,212	1,814	34.4%	63.8%	9,106	10,279	-11.4%
Inokom	6,479	5,599	10,861	15.7%	-40.3%	34,686	35,464	-2.2%
KIA Malaysia Sdn Bhd	527	233	371	126.2%	42.0%	1,121	2,947	-62.0%

Source: BAuto, MBSBR

UNIT SOLD BY MODELS (MALAYSIA)

FYE April (Units)	Quarterly					Cumulatively		
Mazda CBU	**4QFY26**	**3QFY26**	**4QFY25**	**QoQ**	**YoY**	**FY26**	**FY25**	**YoY**
Mazda 2	4	4	13	0.0%	-69.2%	18	109	-83.5%
Mazda 3	1,319	1,357	194	-2.8%	579.9%	3,249	971	234.6%
Mazda 6	1	-	4	-	-75.0%	10	38	-73.7%
CX-3	7	4	37	75.0%	-81.1%	52	388	-86.6%
CX-60	278	227	-	22.5%	-	977	-	-
CX-9	-	1	3	-	-	4	20	-80.0%
CX-80	6	18	-	-66.7%	-	34	-	-
MX-5	-	2	5	-	-	13	15	-13.3%
MX-30	5	-	-	-	-	5	-	-
BT-50	8	37	5	-78.4%	60.0%	50	29	72.4%
	1,628	1,650	261	-1.3%	523.8%	4,412	1,571	180.8%
Mazda CKD	**4QFY26**	**3QFY26**	**4QFY25**	**QoQ**	**YoY**	**FY26**	**FY25**	**YoY**
CX-5	574	771	654	-25.6%	-12.2%	2,502	4,711	-46.9%
CX-8	176	223	212	-21.1%	-17.0%	803	1,102	-27.1%
CX-30	460	457	824	0.7%	-44.2%	2,097	4,084	-48.7%
	1,210	1,451	1,690	-16.6%	-28.4%	5,402	9,897	-45.4%
KIA CBU	**4QFY26**	**3QFY26**	**4QFY25**	**QoQ**	**YoY**	**FY26**	**FY25**	**YoY**
EV6	3	-	-	-	-	5	2	150.0%
Niro	1	16	2	-93.8%	-50.0%	18	43	-58.1%
EV9	-	-	-	-	-	-	6	-
	4	16	2	-75.0%	100.0%	23	51	-54.9%
KIA CKD	**4QFY26**	**3QFY26**	**4QFY25**	**QoQ**	**YoY**	**FY26**	**FY25**	**YoY**
Carnival	1	127	131	-99.2%	-99.2%	320	666	-52.0%
Sorento	1	12	10	-91.7%	-90.0%	22	49	-55.1%
Sportage	15	191	97	-92.1%	-84.5%	317	185	71.4%
	17	330	238	-94.8%	-92.9%	659	900	-26.8%
XPeng CBU	**4QFY26**	**3QFY26**	**4QFY25**	**QoQ**	**YoY**	**FY26**	**FY25**	**YoY**
G6	190	305	227	-37.7%	-16.3%	835	724	15.3%
X9	88	168	100	-47.6%	-12.0%	666	100	566.0%
	278	473	327	-41.2%	-15.0%	1,501	824	82.2%
Total Volume	**3,137**	**3,920**	**2,518**	**-20.0%**	**24.6%**	**11,997**	**13,687**	**-12.3%**

Source: BAuto, MBSBR

UNITS SOLD BY MODELS (PHILIPPINES)

	Quarterly					Cumulatively		
Mazda CBU	**4QFY26**	**3QFY26**	**4QFY25**	**QoQ**	**YoY**	**FY26**	**FY25**	**YoY**
Mazda 2	9	3	9	200.0%	0.0%		37	#VALUE!
Mazda 3	69	70	99	-1.4%	-30.3%	245	245	0.0%
Mazda 6	-	1	4	-	-	4	20	-80.0%
CX-3	-	-	-	-	-	-	7	-
CX-30	18	21	23	-14.3%	-21.7%	63	55	14.5%
CX-5	26	31	46	-16.1%	-43.5%	119	240	-50.4%
CX-60	83	64	50	29.7%	66.0%	284	325	-12.6%
CX-8	43	39	47	10.3%	-8.5%	180	286	-37.1%
CX-9	-	-	3	-	-	-	100	-
CX-90	20	43	38	-53.5%	-47.4%	130	204	-36.3%
MX-5	56	41	46	36.6%	21.7%	215	129	66.7%
BT-50	46	29	86	58.6%	-46.5%	266	131	103.1%
Total Volume	370	342	451	8.2%	-18.0%	1,526	1,779	-14.2%

SUMMARY OF UNITS SOLD

	Quarterly					Cumulatively		
Marques	**4QFY26**	**3QFY26**	**4QFY25**	**QoQ**	**YoY**	**FY26**	**FY25**	**YoY**
Mazda (MY)	2,838	3,101	1,951	-8.5%	45.5%	9,814	11,468	-14.4%
Kia (MY)	21	346	240	-93.9%	-91.3%	682	951	-28.3%
XPeng (MY)	278	473	327	-41.2%	-15.0%	1,501	824	82.2%
Mazda (PH)	370	342	451	8.2%	-18.0%	1,526	1,779	-14.2%
Total Volume	3,507	3,920	2,518	-10.5%	39.3%	13,523	15,022	-10.0%

Source: BAuto, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026A	2027F	2028F
Revenue	3,911.0	2,622.3	2,275.6	2,695.2	2,815.7
Operating profit	436.0	212.2	198.9	191.4	197.1
PBT	483.7	221.5	174.3	176.8	197.9
Taxation	-111.4	-56.0	-57.3	-42.4	-47.5
PATAMI	345.6	153.6	104.7	122.3	138.2
Core PATAMI	347.9	153.3	103.6	122.3	138.2
EPS (sen)	30.2	13.3	9.0	10.6	12.0
PER (x)	3.0x	6.8x	10.0x	8.5x	7.5x
DPS (sen)	26.0	16.8	5.9	6.9	7.8
Dividend yield (%)	28.9%	18.6%	6.6%	7.7%	8.7%

Cash Flow (RM'm)	2024A	2025A	2026A	2027F	2028F
PBT	483.7	224.3	174.3	176.8	197.9
D&A	26.8	25.9	5.9	33.2	29.9
Operating cash flow	**202.2**	**226.1**	**162.0**	**210.0**	**227.7**
Capex	-14.2	-9.8	-44.0	-15.0	-15.0
Investing cash flow	**-15.0**	**69.7**	**-19.2**	**-15.0**	**-15.0**
Dividends paid	-297.7	-344.8	-60.5	-79.4	-89.7
Debt raised/(repaid)	-37.5	163.1	-21.1	-5.0	-4.0
Financing cash flow	**-361.4**	**-224.5**	**-131.1**	**-84.4**	**-93.7**
Net cash flow	**-174.2**	**71.3**	**11.7**	**110.6**	**119.0**
Beginning cash	**0.0**	**537.6**	**433.7**	**423.9**	**534.5**
Ending cash	**364.8**	**432.8**	**423.9**	**534.5**	**653.5**

Balance Sheet (RM'm)	2024A	2025A	2026A	2027F	2028F
PPE	48.0	45.6	108.4	98.2	89.9
ROU assets	84.0	80.9	59.5	55.2	49.2
Non-current assets	**609.7**	**534.8**	**524.3**	**561.8**	**547.5**
Inventories	686.8	499.1	560.5	483.3	505.5
Receivables	223.7	209.8	139.9	154.1	161.0
Cash balances	364.8	433.7	423.9	534.5	653.5
Current assets	**1,277.5**	**1,156.2**	**1,130.8**	**1,073.0**	**1,144.1**
LT borrowings	0.0	0.0	129.7	0.0	0.0
Non-current liabilities	**387.2**	**367.9**	**419.8**	**367.9**	**367.9**
ST borrowings	62.5	225.6	74.8	47.5	43.5
Payables	381.0	225.9	256.5	268.1	280.4
Current liabilities	**591.3**	**587.9**	**481.2**	**452.0**	**460.3**
Share capital	626.2	629.4	629.4	629.4	629.4
Reserves	196.0	29.7	83.4	109.4	157.9
Total equity	**908.6**	**735.2**	**754.2**	**814.9**	**863.4**

Profitability Ratios (%)	2024A	2025A	2026A	2027F	2028F
OP margin	11.1%	8.1%	8.7%	7.1%	7.0%
PBT margin	12.4%	8.4%	7.7%	6.6%	7.0%
PATAMI margin	8.8%	5.9%	4.6%	4.5%	4.9%
Core PATAMI margin	8.9%	5.8%	4.6%	4.5%	4.9%
ROA	18.4%	9.1%	6.3%	7.5%	8.2%
ROE	38.3%	20.8%	13.7%	15.0%	16.0%

Growth (%)	2024A	2025A	2026A	2027F	2028F
Revenue growth	10.5%	-32.9%	-13.3%	18.4%	4.5%
PBT growth	14.3%	-53.6%	-22.3%	1.4%	12.0%
PATAMI growth	13.0%	-54.9%	-32.8%	16.7%	13.1%
Core PATAMI growth	14.6%	-55.3%	-32.7%	16.7%	13.1%

Source: BAuto, MBSBR

MBSB RESEARCH (formerly known as MIDF RESEARCH) is part of MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad) 197501002077 (24878-X).

(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report is prepared by MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad) (Company Registration No.: 197501002077 (23878-X)) and is for distribution only to the intended readers and under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is provided solely for informational purposes and does not constitute a Shariah advice nor constitute an investment recommendation or basis for any credit or other evaluation in any manner whatsoever.

The opinions and analyses contained in this report are based on information obtained or derived from sources that MBSB Investment Bank Berhad believes to be reliable. Any forward-looking statements in this report speak only as of the date of such statements. However, MBSB Investment Bank Berhad makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or reliability of such information, and it should not be relied upon as such.

While the information presented in this report may include references to Shariah -compliant and non-compliant securities or other financial instruments, this report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments or to promote or endorse any specific investment. Investors are strongly advised to conduct their own due diligence and to consult licensed Shariah or financial advisors before making any investment decisions. Any action taken based on this report is at the sole discretion and risk of the investor.

The analyses in this report are based on numerous assumptions, and different assumptions could yield different results. All opinions and estimates in this report are subject to change without notice.

The research analysts will initiate, update, and cease coverage solely at the discretion of MBSB Investment Bank Berhad.

The directors, employees, and representatives of MBSB Investment Bank Berhad and MBSB Berhad may have interests in any of the securities mentioned and may benefit from the information contained herein. Members of MBSB Berhad and their affiliates may provide services to any company or its affiliates whose securities are mentioned in this report.

This report shall not be reproduced, distributed, or published in any form or for any purpose without the prior written consent of MBSB Investment Bank Berhad.

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