Capital A Berhad

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Corporate Update

2QFY26 Results Review
A Mixed Quarter

Maintain BUY. 2QFY26 results came in below expectations. Capital A Berhad expects a softer 3QFY26 due to seasonality and airline capacity constraints. ADE remains supported by fully booked hangar capacity and continued expansion into third-party MRO, while Teleport is positioned to benefit from peak e-commerce demand and network expansion. MOVE should recover as travel capacity improves, while AirAsia Next is targeting stronger licensing and Rewards growth alongside a strategic review of BigPay. Santan remains pressured by weaker airline catering volumes but is diversifying into higher-margin B2B and B2C channels. We revised our SOTP-derived TP to **RM0.53** (from RM0.63) to reflect our lower earnings estimates.

Below expectations. Capital A's 2QFY26 core net profit of RM33.2m brought 1HFY26 earnings to RM60.1m, coming in below expectations at 38%/33% of our/consensus full-year forecasts. The earnings shortfall was largely attributable to softer performance across all business segments, except for ADE.

Broad-based recovery despite Santan weakness. The group's revenue increased by +91.5%yoy, while EBITDA turned positive to RM108.5m from a loss of -RM112.5m in 2QFY25. Teleport's revenue grew +22.1%yoy on higher volumes and improved yields, with EBITDA rising +8.7%yoy on scale benefits. ADE's revenue increased +29.3%yoy despite fewer base maintenance checks, supported by a higher-value work mix, lifting EBITDA by +21.8%yoy. AirAsia MOVE's revenue rose +5.2%yoy on higher transaction volumes, while EBITDA declined -6.3%yoy due to higher staff costs related to the Wano B2B integration. Santan was the only segment to record weaker revenue, declining -13.3%yoy, with EBITDA falling -81.9%yoy following airline capacity and network reductions. Overall, core net profit turned around to RM33.2m from a core net loss of -RM200.4m in 2QFY25.

ADE and Teleport drove sequential growth. Compared with 1QFY26, the group's revenue grew +5.6%qoq, mainly driven by ADE (+27.7%qoq) on higher-value base maintenance checks and additional engine repair and installation services, lifting EBITDA by +59.7%qoq. Teleport's revenue was largely flat, while EBITDA rose +24.7%qoq on tighter opex discipline. AirAsia Next was the only other segment to record revenue growth (+17.1%qoq), mainly driven by its loyalty programme, although EBITDA declined -9.5%qoq due to resource expansion and higher costs of points redeemed. Overall, core net profit increased +23.5%qoq.

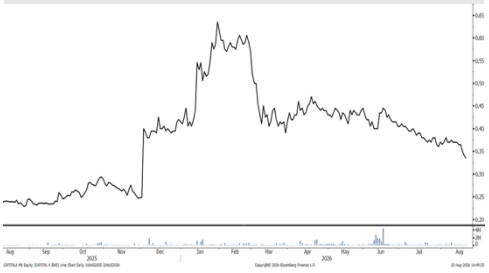
Earnings estimates. Following the weaker-than-expected 1HFY26 results, we cut our FY26-FY28 earnings estimates by -24% to -28% to factor in softer contributions from Santan amid capacity adjustments, weaker performance at AirAsia MOVE, and more moderate margin assumptions across the segments.

Maintain BUY

Revised Target Price **RM0.53**
(from RM0.63)

RETURN STATISTICS	
Price @ 26th August 2026 (RM)	0.33
Expected share price return (%)	+61.9
Expected dividend yield (%)	0.0
Expected total return (%)	+61.9

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-11.8	-12.6
3 months	-17.3	-23.0
12 months	38.6	26.7

INVESTMENT STATISTICS

FYE Dec	2026E	2027F	2028F
Revenue	3,330.6	3,523.3	3,710.4
EBIT	333.1	355.9	382.2
PBT	116.6	119.8	133.6
Net profit	149.9	172.6	189.2
Core net profit	119.9	133.9	144.7
EPS (sen)	2.7	3.1	3.3

KEY STATISTICS	
FBM KLCI	1,741.72
Issued shares (m)	4,430.20
Estimated free float (%)	69.74
Market Capitalisation (RM'm)	1,500.44
52-wk price range	RM0.22 - RM0.64
3-mth average daily volume (m)	16.91
3-mth average daily value	6.93
Top Shareholders (%)	
Tune Air Sdn Bhd	11.53
Tune Live Sdn Bhd	11.36
Positive Boom Limited	7.42

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CAPITAL A: 2QFY26 RESULTS SUMMARY

FYE Dec (RM'm)	Quarterly					Cumulatively		
Income Statement	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**	**1HFY26**	**1HFY25**	**YoY**
Revenue	809.4	766.6	422.6	5.6%	91.5%	1,576.0	837.1	88.3%
EBITDA	108.5	99.1	-112.5	9.4%	196.4%	207.6	-250.9	182.7%
EBIT	80.2	70.8	-136.9	13.3%	158.6%	151.0	-300.4	150.3%
Net finance costs	-41.7	-42.6	-60.3	2.2%	30.9%	-84.2	-105.7	20.3%
PBT	30.5	26.4	-198.8	15.4%	115.3%	56.9	-387.2	114.7%
Taxation	-5.4	-1.3	-3.3	-304.5%	-61.1%	-6.7	-5.3	-25.8%
Net profit	25.1	25.1	-202.1	0.2%	112.4%	50.2	-392.5	112.8%
Core net profit	33.2	26.9	-200.4	23.5%	116.6%	60.1	-411.4	114.6%
				ppts	**ppts**			**ppts**
EBIT margin	9.9%	9.2%	-32.4%	0.7	42.3	9.6%	-35.9%	45.5
PBT margin	3.8%	3.4%	-47.0%	0.3	50.8	3.6%	-46.3%	49.9
Core net profit margin	4.1%	3.5%	-47.4%	0.6	51.5	3.8%	-49.2%	53.0
Effective tax rate	-17.6%	-5.0%	1.7%	-12.6	-19.2	-11.7%	1.4%	-13.1

SEGMENTAL BREAKDOWN (before elimination adjustments)

FYE Dec (RM'm)	Quarterly					Cumulatively		
Revenue	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**	**1HFY26**	**1HFY25**	**YoY**
Teleport (logistics)	311.2	308.7	254.8	0.8%	22.1%	619.9	513.0	20.8%
ADE (MRO)	283.8	222.2	219.5	27.7%	29.3%	506.0	426.5	18.6%
AirAsia MOVE (OTA)	96.1	120.0	91.3	-19.9%	5.2%	216.2	218.5	-1.1%
Santan (F&B)	45.1	50.4	52.0	-10.5%	-13.3%	95.5	104.4	-8.5%
AirAsia Next (brand, fintech)	77.7	66.3	71.6	17.1%	8.5%	144.0	141.4	1.8%
EBITDA	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**	**1HFY26**	**1HFY25**	**YoY**
Teleport (logistics)	26.8	21.5	24.6	24.7%	8.7%	48.2	47.4	1.9%
ADE (MRO)	68.7	43.1	56.4	59.7%	21.8%	111.8	96.5	15.8%
AirAsia MOVE (OTA)	7.5	14.1	8.0	-47.0%	-6.3%	21.6	24.0	-10.2%
Santan (F&B)	2.3	2.3	12.5	-2.9%	-81.9%	4.6	18.9	-75.7%
AirAsia Next (brand, fintech)	26.5	29.2	36.7	-9.5%	-27.9%	55.7	71.7	-22.3%
EBITDA margin	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**	**1HFY26**	**1HFY25**	**YoY**
Teleport (logistics)	8.6%	7.0%	9.7%	1.6	-1.1	7.8%	9.2%	-1.5
ADE (MRO)	24.2%	19.4%	25.7%	4.9	-1.5	22.1%	22.6%	-0.5
AirAsia MOVE (OTA)	7.8%	11.7%	8.7%	-4.0	-1.0	10.0%	11.0%	-1.0
Santan (F&B)	5.0%	4.6%	24.1%	0.4	-19.1	4.8%	18.1%	-13.3
AirAsia Next (brand, fintech)	34.1%	44.1%	51.3%	-10.0	-17.2	38.7%	50.7%	-12.0

Source: Capital A, MBSBR

OPERATING STATISTICS

Key Indicators	Quarterly				
ADE	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**
No. of base checks completed	13	25	19	-48.0%	-31.6%
Line maintenance: AirAsia	129	184	128	-29.9%	0.8%
Line maintenance: 3rd pary	188	230	237	-18.3%	-20.7%
No. of order completed (workshop)	7,744	7,331	6,306	5.6%	22.8%
AirAsia MOVE	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**
Monthly active users	16,329,655	17,690,825	13,346,377	-7.7%	22.4%
No. of transactions	11,813,543	12,315,454	10,947,513	-4.1%	7.9%
Ancillary: Units sold	6,730,677	8,994,032	7,444,065	-25.2%	-9.6%
AirAsia flights: Seats sold	5,489,710	7,012,119	6,857,427	-21.7%	-19.9%
FlyBeyond: Seats sold	131,015	123,461	158,718	6.1%	-17.5%
Stays: Room nights	99,817	103,970	113,015	-4.0%	-11.7%
Wano: Seats sold	6,234,448	8,912,107	6,137,738	-30.0%	1.6%
Teleport	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**
Tonnage (tonnes)	85,877	96,783	77,213	-11.3%	11.2%
AirAsia	64,116	72,548	60,929	-11.6%	5.2%
Freighter	9,985	10,684	5,279	-6.5%	89.1%
3rd party	11,776	13,552	11,005	-13.1%	7.0%
No. of parcels ('000)	56,487	61,740	31,615	-8.5%	78.7%
AirAsia Next	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**
BigPay: Active user	1,702,332	1,689,491	1,638,082	0.8%	3.9%
BigPay: Average transaction per user	16.78	14.04	14.44	19.5%	16.2%
AA Next: Total licenses	3	3	1	0.0%	200.0%
Rewards: Total active members (pax)	37,110	36,856,379	36,203	-99.9%	2.5%
Rewards: Total points issuance ('000 pts)	1,376,358	1,459,738	1,426,819	-5.7%	-3.5%
Rewards: Total points redemption ('000 pts)	930,555	845,818	695,376	10.0%	33.8%
Santan	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**
No. of transactions (inflight)	1,764,863	4,508,521	2,130,734	-60.9%	-17.2%
No. of active clients (B2B)	6	6	6	0.0%	0.0%
No. of transactions (B2C eComm)	23,409	14,845	2,451	57.7%	855.1%

Source: Capital A, MBSBR

SOTP Valuation

	Stake	Value (RM'm)	Value/Share (RM)	Notes
ADE	100%	2,001.6	0.25	18x FY27 EPS
AirAsia Next	100%	600.6	0.08	DCF - WACC: 11.5%, g: 1%
AirAsia MOVE	100%	94.8	0.01	12x FY27 EPS
Santan	100%	44.4	0.01	12x FY27 EPS
Teleport	65%	325.7	0.04	13x FY27 EPS
AAX shares	20%	1,015.6	0.13	Consensus TP
Warrant conversion		182.0	0.02	
Equity value		**4,264.7**	**0.53**	

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026E	2027F	2028F
Revenue	1,709.7	1,866.9	3,330.6	3,523.3	3,710.4
EBITDA	-628.2	-501.3	433.0	468.6	500.9
EBIT	-689.7	-609.1	333.1	355.9	382.2
PBT	-891.1	-791.7	116.6	119.8	133.6
Net profit	-881.7	-794.6	149.9	172.6	189.2
Core net profit	-844.1	-806.6	119.9	133.9	144.7
EPS (sen)	-19.3	-18.5	2.7	3.1	3.3
PER (x)	-	-	12.0x	10.8x	9.9x

Balance Sheet (RM'm)	2024A	2025A	2026E	2027F	2028F
ROU assets	404.1	571.8	588.9	606.6	624.8
PPE	228.2	312.3	321.7	331.3	341.2
Non-current assets	**958.4**	**1,357.4**	**1,398.2**	**1,440.1**	**1,483.3**
Trade debtors	391.3	433.5	446.5	459.9	473.7
Cash & cash equivalents	431.2	432.6	445.6	459.0	472.7
Current assets	**1,094.0**	**6,210.5**	**6,396.8**	**6,588.7**	**6,786.3**
Long-term debt	839.7	550.8	567.3	584.3	601.8
Non-current liabilities	**994.5**	**938.4**	**966.6**	**995.6**	**1,025.5**
Trade creditors	653.6	3,702.1	3,813.1	3,927.5	4,045.4
Short-term debt	636.0	730.9	752.8	775.4	798.7
Current liabilities	**1,372.2**	**5,708.2**	**5,879.5**	**6,055.8**	**6,237.5**
Share capital	8,768.6	8,819.4	8,819.4	8,819.4	8,819.4
Retained earnings	41.8	-2,548.9	-2,421.5	-2,300.4	-2,185.4
Equity	**-10,015.0**	**921.2**	**948.9**	**977.3**	**1,006.7**

Cash Flow (RM'm)	2024A	2025A	2026E	2027F	2028F
PBT	-891.1	10,528.5	116.6	119.8	133.6
Operating cash flow	-863.1	451.0	-206.1	122.5	-41.8
Investing cash flow	-213.2	-1,791.7	-100.0	-150.0	-150.0
Financing cash flow	99.0	-278.1	0.0	0.0	0.0
Net cash flow	**-424.3**	**203.9**	-306.1	-27.5	-191.8
Beginning cash flow	**522.1**	**349.3**	802.2	496.2	468.6
Ending cash flow	**349.3**	**802.2**	496.2	468.6	276.8

Profitability Ratios (%)	2024A	2025A	2026E	2027F	2028F
EBIT margin	-36.7%	-26.8%	13.0%	13.3%	13.5%
PBT margin	-40.3%	-32.6%	10.0%	10.1%	10.3%
Net profit margin	-52.1%	-42.4%	3.5%	3.4%	3.6%
Core net profit margin	-51.6%	-42.6%	4.5%	4.9%	5.1%
ROA	-41.1%	-10.7%	1.5%	1.7%	1.7%
ROE	8.4%	-87.6%	12.6%	13.7%	14.4%

Growth (%)	2024A	2025A	2026E	2027F	2028F
Revenue	-88.4%	9.2%	78.4%	5.8%	5.3%
PBT	-403.4%	11.2%	114.7%	2.8%	11.5%
Net profit	-445.4%	9.9%	118.9%	15.2%	9.6%
Core net profit	-438.6%	4.4%	114.9%	11.7%	8.1%

Source: Capital A, MBSBR

MBSB RESEARCH is part of MBSB Investment Bank Berhad 197501002077 (24878-X)

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MBSB 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