Capital A Berhad

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

SHARIAH Compliant

ESG 3 Stars

Corporate Update

Drawing a Line Under BigPay

Maintain **BUY**

Unchanged Target Price **RM0.53**

Maintain BUY. We view Capital A Berhad's (Capital A) proposed capital structure optimisation exercise involving Move Digital Sdn. Bhd. (MDSB) positively, providing a pathway to monetise its legacy investments and potentially exit loss-making BigPay. The potential disposal of BigPay is the key positive, given the continued funding support required by the business, while the 3-year timeframe allows for an orderly monetisation of MDSB's assets. We leave our earnings estimates unchanged pending further clarity on the timing and terms of the proposed disposals and maintain our SOTP-derived target price at **RM0.53**.

Optimising legacy investments. Capital A announced a proposed capital structure optimisation exercise involving wholly owned MDSB, which owns 99.56% of Big Pay Pte. Ltd. (BigPay) and a 13.6% stake in **Tune Protect Group Berhad (Non-rated)**. Under the proposed court-supervised scheme, MDSB intends to monetise its assets, potentially through the disposal of BigPay, monetisation of its Tune Protect stake and collection of approximately RM32.0m in receivables. Proceeds would subsequently be used to settle MDSB's creditors, against net liabilities of RM292.0m as at end-FY25.

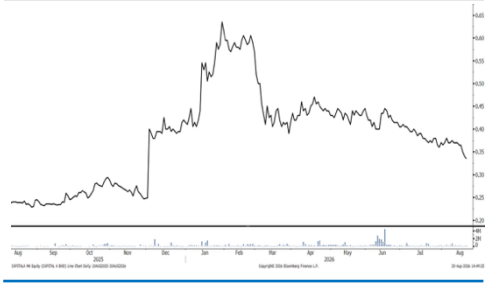
BigPay exit on the cards. We see the potential disposal of BigPay as the key positive, providing Capital A a pathway to cease further funding of the loss-making fintech business. While BigPay's profitability is no longer separately disclosed following its inclusion in AirAsia Next's reporting from 4QFY25, management indicated that BigPay remained loss-making in 2QFY26, albeit with EBITDA and net operating losses narrowing by -28.0%yoy and -22.0%yoy, respectively. Based on Bursa disclosures, Capital A provided RM31.3m in advances to BigPay in 1HFY26 (RM24.1m in 1QFY26 and RM7.2m in 2QFY26), highlighting BigPay's continued funding needs. An eventual disposal could also reduce losses currently consolidated within AirAsia Next.

Providing time for an orderly exit. The proposed scheme provides MDSB with up to 3 years to monetise its assets, allowing greater flexibility over the timing of the potential BigPay disposal and monetisation of its 13.6% Tune Protect stake. We see the extended timeframe as reducing the need for near-term asset sales and providing MDSB greater flexibility to maximise recoveries for creditors. With a sizeable portion of MDSB's liabilities owed to Capital A and other Group entities, the exercise also provides a structured pathway to address its legacy obligations.

Earnings estimates. We make no changes to our forecasts at this juncture, pending greater clarity on the timing, disposal consideration and eventual completion of the exercise.

RETURN STATISTICS	
Price @ 18th September 2026 (RM)	0.24
Expected share price return (%)	+122.7
Expected dividend yield (%)	0.0
Expected total return (%)	+122.7

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	1,665.56
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

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

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)	-	-	8.7x	7.8x	7.2x

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 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 (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: 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