CIMB Securities

Company Result

Automobiles | Malaysia | 11 Sep 2026

ESG Shariah

Bermaz Auto

Mazda3 powers turnaround in 1QFY4/27

BUY (no change)

Share price:	Target price:
RM0.94	RM1.25

- 1QFY27 results were broadly in line at 31%/32% of our/consensus expectations. Core net profit jumped 4.7x YoY to RM41.8m, driven by robust demand for Mazda3.
- We believe BAuto is on track for an earnings rebound in FY27F, driven by the new CX-5 launch, higher Mazda sales volumes, and a turnaround in associate earnings.
- Maintain Buy with unchanged TP of RM1.25 (still based on 10.4x P/E), backed by earnings recovery in FY27F and attractive 9.6–10.7% dividend yields.

Mazda3 drives 1QFY4/27 earnings rebound; core net profit jumps 4.7x YoY

Bermaz Auto (BAuto)'s 1QFY4/27 revenue rose 12.6% YoY to RM553m, driven by a 21.2% increase in revenue from its Malaysian operations, partially offset by a 42.5% decline in the Philippines. The stronger domestic performance was underpinned by strong Mazda sales volumes, which surged 90% YoY to 3,024 units. The Mazda3 was the key growth driver, accounting for nearly 61% of Mazda's domestic sales during the quarter. We expect Mazda3 demand to remain resilient, supported by more aggressive pricing assistance from Mazda Motor Corp (Japan).

Earnings were also boosted by RM1.1m in associate profits, reversing the RM9.3m associate loss booked in 1QFY26. Overall, core net profit jumped 4.7x YoY to RM41.8m from RM8.8m. However, on a QoQ basis, core net profit declined 6%, mainly owing to weaker profitability from XPeng, higher advertising and promotion expenses, and a lower profit contribution from 30%-owned Mazda Malaysia Sdn Bhd. BAuto declared a higher first interim DPS of 2.0 sen vs. 0.75 sen in 1QFY26.

Healthy model pipeline to sustain growth beyond FY27F

We believe BAuto is well positioned to return to growth in FY27F and sustain this momentum into FY28F, underpinned by Mazda's healthy product pipeline. Near-term growth should be supported by the all-new fully imported CX-5, which secured approximately 600 bookings as of the first week of Sep 2026. Deliveries are expected to commence by end-Sep 2026, providing an initial earnings contribution from 2QFY27F. BAuto has secured an allocation of 2,000 units from Mazda Motor Corp (Japan). The group is targeting an 18% YoY jump in sales volume to 16,000 units in FY27F, supported by the CX-5 launch and sustained Mazda3 demand. Its Mazda order backlog stood at approximately 1,700 units, largely comprising the new CX-5 and Mazda3.

Beyond the CX-5, Mazda plans to introduce a new locally assembled B/C-segment SUV by end-2027 or early 2028, followed by the next-generation CX-30 approximately a year later. We believe this steady cadence of model launches should sustain showroom traffic, improve sales visibility, and provide BAuto with a durable medium-term growth runway. Overall, we project core net profit growth of 28.3% in FY27F and 7.1% in FY28F, supported by resilient 7–8% sales volume growth, a turnaround in associate earnings, and favourable forex movements.

Maintain Buy and RM1.25 TP; BAuto offers attractive FY26–27 yields of 9.6–10.7%

We maintain our earnings forecasts and Buy rating on the stock, with an unchanged target price (TP) of RM1.25, still based on 10.4x CY27F P/E (0.5 s.d. below BAuto's 10-year mean P/E of 12.5x). The stock also offers attractive FY27–28F dividend yields of 9.6–10.7% (based on an average dividend payout assumption of 80%).

Potential catalysts and risks

Potential re-rating catalysts include consensus earnings upgrades, exciting new model launches, implementation of new localisation programmes, a higher dividend payout, and strengthening of the MYR.

Potential downside risks include delays in new model launches, intensifying competition from Chinese original equipment manufacturers (OEMs), softer consumer sentiment, and unfavourable forex movements.

Consensus: Buy:7 Hold:6 Reduce:0

Stock information

Bloomberg ticker	BAUTO MK
Refinitiv ticker	BERA.KL
Share price (RM)	0.94
Market cap (US$m/RMm)	260/1,057
ADTV (RMm)	2.2
Free float (%)	58.8
Upside/(downside) (%)	33.0
CIMB/consensus TP (%)	13.6

Bermaz Auto distributes Mazda and XPeng vehicles in Malaysia and the Philippines

Earnings forecast

	Apr-26A	Apr-27F	Apr-28F
Core net profit (RMm)	101.6	130.3	139.6
Core EPS (sen)	8.7	11.2	12.0
Core EPS growth (%)	(35.2)	28.3	7.1
FD core P/E (x)	10.7	8.3	7.8
Recurring ROE (%)	15.4	18.6	18.9
P/BV (x)	1.6	1.5	1.4
DPS (sen)	7.3	9.0	10.0
Dividend yield (%)	7.8	9.6	10.7

Source: CIMB Securities

Price performance

	1M	3M	12M
Absolute (%)	(1.6)	8.7	37.8
Relative (%)	(0.4)	6.4	27.9

Source: Bloomberg, CIMB Securities

Research analyst(s)

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Figure 1: Result comparison

FYE Apr (RM m)	1QFY27	1QFY26	yoy % chg	4QFY26	qoq % chg	Prev. FY27F
Revenue	553	491	*12.6*	545	*1.5*	2,658
Operating costs	(491)	(455)	*7.9*	(476)	*3.2*	(2,443)
EBITDA	**61.8**	**35.9**	***72.0***	**68.5**	***(9.8)***	**215**
EBITDA margin (%)	*11.2*	*7.3*		*12.6*		*8.1*
Depn & amort.	(5.5)	(6.5)	*(16.4)*	(5.9)	*(6.7)*	(26.0)
EBIT	**56.3**	**29.4**	***91.7***	**62.7**	***(10.1)***	**189**
Interest expense	(2.7)	(2.9)	*(5.0)*	(2.3)	*18.0*	(12.7)
Interest & invt inc	2.5	2.3	*9.0*	2.6	*(3.6)*	10.3
Associates	1.1	(9.3)	*> 100*	2.3	*(54.6)*	10.0
Exceptionals	(1.3)	(0.6)	*> 100*	2.1	*> 100*	-
Pretax profit	**55.9**	**18.9**	***> 100***	**67.4**	***(17.1)***	**197**
Tax	(14.4)	(8.3)	*72.5*	(17.7)	*(18.6)*	(59.1)
Tax rate (%)	*25.8*	*44.0*		*26.2*		*30.0*
Minority interests	(1.0)	(2.3)	*(58.3)*	(3.1)	*(68.8)*	(7.5)
Net profit	40.5	8.3	> 100	46.6	*(13.1)*	130
Core net profit	**41.8**	**8.8**	***> 100***	**44.5**	***(6.1)***	**130**
EPS (sen)	3.5	0.7	*> 100*	4.0	*(13.2)*	11.4
Core EPS (sen)	3.6	0.8	*> 100*	3.8	*(6.2)*	11.4
Net DPS (sen)	2.0	0.8	*> 100*	1.8	*14.3*	9.0

Source: CIMB Securities, Company

Figure 2: 1QFY27, 1QFY26, and 4QFY26 revenue and pre-tax profit breakdown

Revenue breakdown (RM m)	1QFY27	1QFY26	yoy % chg	4QFY26	qoq % chg
Malaysia	515	425	21.2	497	3.7
Philippines	38	66	(42.5)	48	(20.7)
Total	553	491	12.6	545	1.5

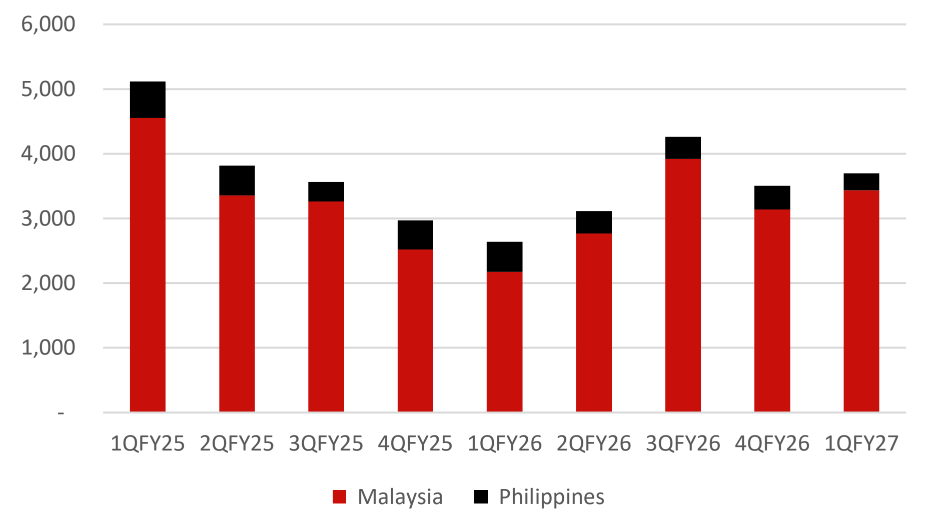
Revenue contribution (%)	1QFY27	1QFY26	yoy % chg	4QFY26	qoq % chg
Malaysia	93.1	86.5	6.6	91.2	1.9
Philippines	6.9	13.5	(6.6)	8.8	(1.9)
Total	100.0	100.0		100.0	

Pretax profit (RM m)	1QFY27	1QFY26	yoy % chg	4QFY26	qoq % chg
Malaysia	52.5	21.1	149.3	62.7	(16.4)
Philippines	2.5	7.5	(66.7)	2.9	(12.8)
Mazda Malaysia	1.0	(0.2)	557.0	4.3	(76.4)
Inokom	0.1 -	5.7	102.2	0.2	(50.6)
Others	(0.2)	(3.7)	(93.3)	(2.7)	(91.0)
Total	**55.9**	**18.9**	**195.0**	**67.4**	**(17.1)**

EBIT margin (%)	1QFY27	1QFY26	yoy % chg	4QFY26	qoq % chg
Malaysia	10.2	5.0	5.2	12.6	(2.4)
Philippines	6.6	11.3	(4.8)	6.0	0.6
Total	10.1	3.9	6.2	12.4	(2.3)

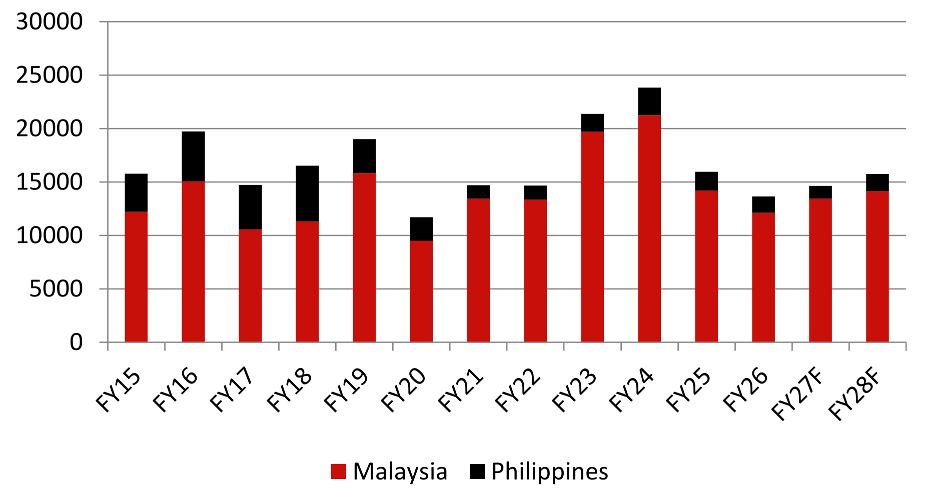
Source: CIMB Securities, Company reports

Figure 3: Bermaz Auto's historical quarterly sales volumes (units)



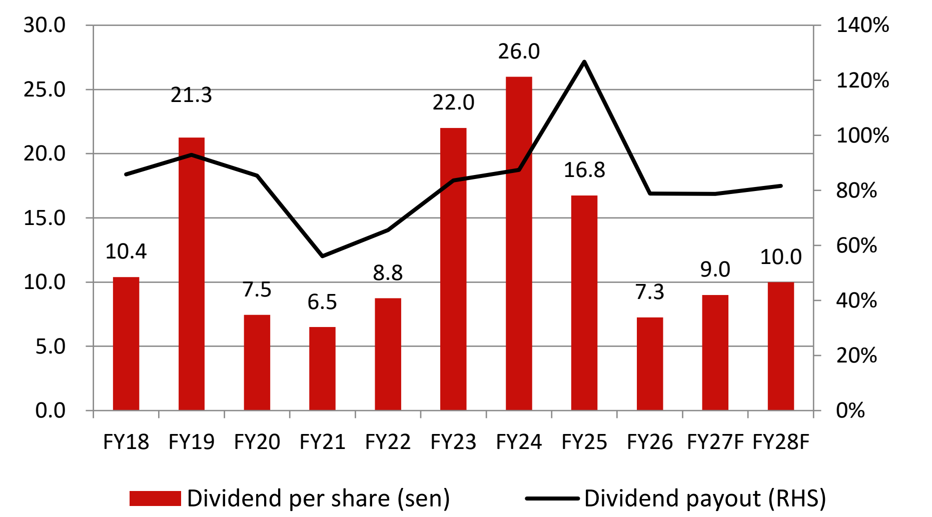
Source: CIMB Securities, Company reports

Figure 4: Bermaz Auto's historical and projected (FY27–28F) annual sales volumes



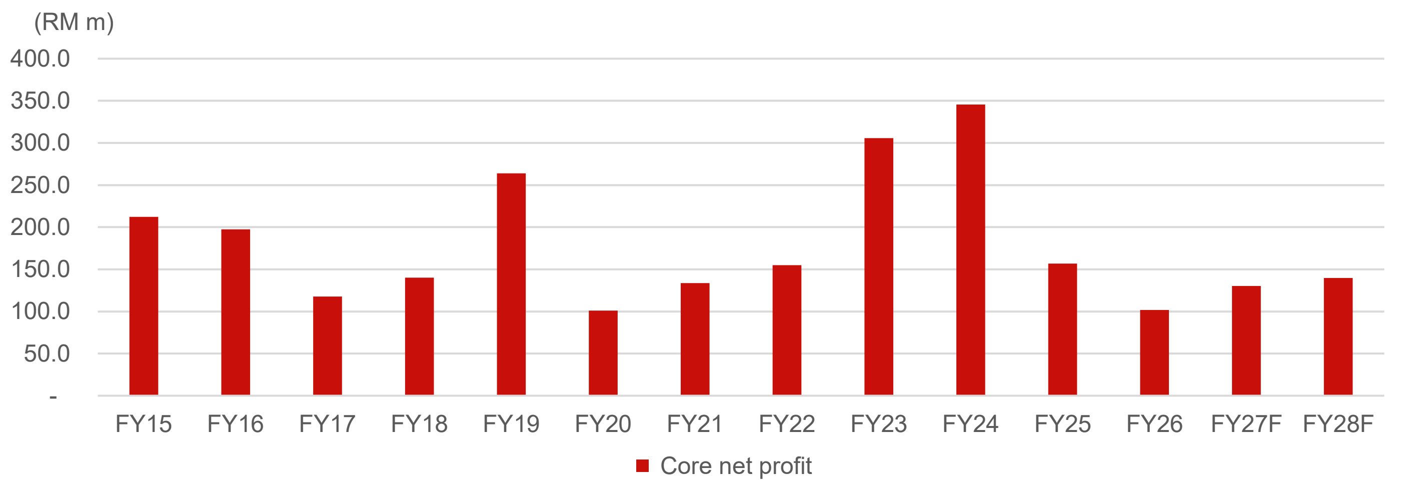
Source: CIMB Securities, Company reports

Figure 5: Bermaz Auto's historical and FY26–28F annual DPS and payout ratio



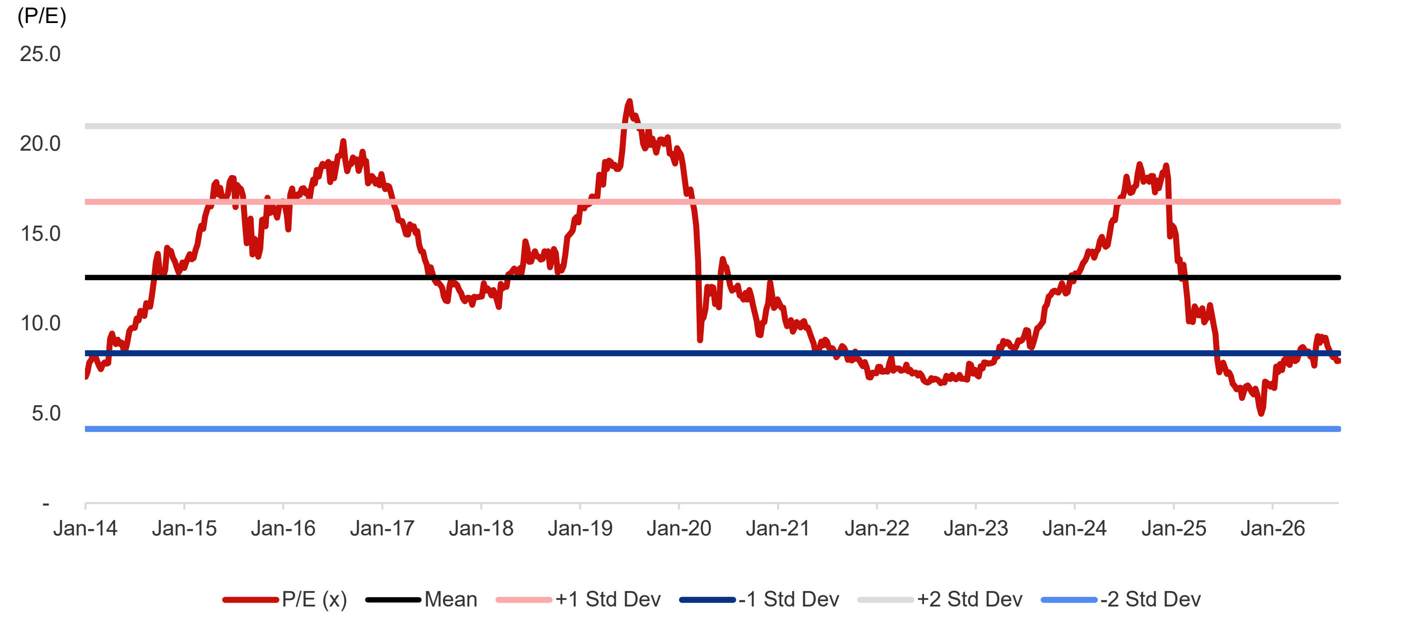
Source: CIMB Securities, Company reports

Figure 6: Bermaz Auto's annual FY27–28 core net profit forecast and historical performance



Source: Company, CIMB Securities

Figure 7: Bermaz Auto's 1-year forward P/E (x)



Source: Company, Bloomberg, CIMB Securities

Financial Information

Figure 8: Profit and Loss

(RMm)	Apr-25A	Apr-26A	Apr-27F	Apr-28F	Apr-29F
Revenue	**2,622**	**2,276**	**2,658**	**2,841**	**2,704**
Gross profit	382	349	361	383	364
EBITDA	**239**	**224**	**215**	**227**	**215**
Depreciation and amortisation	(27)	(25)	(26)	(27)	(28)
EBIT	**212**	**199**	**189**	**200**	**188**
Financial income	10	11	10	11	12
Financial expense	(12)	(10)	(13)	(13)	(13)
Income/(loss) from assoc.	12	(25)	10	20	10
Non-operating (expense) / Income	0	0	0	0	0
Profit before tax (pre-EI)	**221**	**174**	**197**	**218**	**197**
Exceptional items	nm	nm	nm	nm	nm
Pre-tax profit	**221**	**174**	**197**	**218**	**197**
Taxation	(56)	(57)	(59)	(70)	(63)
Profit after tax	**165**	**117**	**138**	**148**	**134**
Minority interests	(12)	(12)	(7)	(9)	(10)
Net profit	**154**	**105**	**130**	**140**	**124**
Core net profit	**157**	**102**	**130**	**140**	**124**
Core EPS (sen)	13.5	8.7	11.2	12.0	10.6

Source: CIMB Securities, Company

Figure 9: Cash Flow

(RMm)	Apr-25A	Apr-26A	Apr-27F	Apr-28F	Apr-29F
EBITDA	239	224	215	227	215
Cash flow from invt. & assoc.	nm	nm	nm	nm	nm
Change in working capital	nm	nm	nm	nm	nm
(Incr)/decr in total provisions	nm	nm	nm	nm	nm
Other non-cash (income)/expense	nm	nm	nm	nm	nm
Other operating cash flow	46	(29)	(49)	(47)	0
Net interest (paid)/received	0	0	0	0	0
Tax paid	(75)	(35)	(59)	(70)	(63)
Cash flow from operations	**210**	**160**	**108**	**110**	**152**
Capex	(10)	(44)	(15)	(15)	(15)
Disposals of FAs/subsidiaries	0	1	0	0	0
Acq. of subsidiaries/investments	0	0	0	0	0
Other investing cash flow	(10)	11	10	11	12
Cash flow from investing	**(20)**	**(32)**	**(5)**	**(4)**	**(3)**
Debt raised/(repaid)	163	(21)	0	0	0
Proceeds from issue of shares	0	0	0	0	0
Shares repurchased	nm	nm	nm	nm	nm
Dividends paid	(345)	(61)	(94)	(94)	(88)
Preferred dividends	nm	nm	nm	nm	nm
Other financing cash flow	(41)	(49)	(13)	(13)	(13)
Cash flow from financing	**(223)**	**(131)**	**(107)**	**(108)**	**(101)**
Total cash generated	(33)	(3)	(4)	(2)	48
Free cash flow to equity	**353**	**107**	**103**	**106**	**150**
Free cash flow to firm	**190**	**128**	**103**	**106**	**150**

Source: CIMB Securities, Company

Financial Information

Figure 10: Balance Sheet

(RMm)	Apr-25A	Apr-26A	Apr-27F	Apr-28F	Apr-29F
Total cash and equivalents	434	424	467	512	558
Total debtors	206	140	163	175	166
Inventories	501	561	655	700	666
Total other current assets	15	6	6	6	6
Total current assets	**1,155**	**1,131**	**1,292**	**1,393**	**1,397**
Fixed assets	126	168	216	205	192
Total investments	281	243	253	273	283
Intangible assets	1	1	1	1	1
Total other non-current assets	15	16	16	16	16
Total non-current assets	**532**	**524**	**583**	**591**	**589**
Short-term debt	226	75	75	75	75
Current portion of long-term debt	nm	nm	nm	nm	nm
Total creditors	226	257	412	440	419
Other current liabilities	135	150	150	150	150
Total current liabilities	**586**	**481**	**637**	**665**	**644**
Total long-term debt	0	130	130	130	130
Hybrid debt - debt component	nm	nm	nm	nm	nm
Total other non-current liabilities	369	290	310	338	314
Total non-current liabilities	**369**	**420**	**440**	**467**	**444**
Total provisions	0	0	0	0	0
Total liabilities	**955**	**901**	**1,077**	**1,132**	**1,088**
Shareholders' equity	642	681	717	762	798
Minority interests	91	73	81	89	100
Total equity	**733**	**754**	**798**	**852**	**897**

Source: CIMB Securities, Company

Figure 11: Key Ratios

	Apr-25A	Apr-26A	Apr-27F	Apr-28F	Apr-29F
Revenue growth (%)	(33.0)	(13.2)	16.8	6.9	(4.8)
EBITDA growth (%)	(48.3)	(6.3)	(4.0)	5.3	(5.0)
EBITDA margin (%)	9.1	9.9	8.1	8.0	8.0
Net cash per share (sen)	17.9	18.9	22.6	26.4	30.4
BVPS (RM)	0.6	0.6	0.6	0.7	0.7
Net interest cover (x)	84.2	(629.5)	78.6	98.7	184.4
Effective tax rate (%)	25.3	32.9	30.0	32.0	32.0
Net dividend payout ratio (%)	126.9	80.5	80.3	83.3	79.9
Accounts receivables days	30.0	27.8	20.8	21.7	23.0
Inventory days	97.0	100.6	96.6	100.6	106.5
Accounts payables days	49.6	45.7	53.1	63.3	67.0
ROIC (%)	34.1	33.3	32.2	33.3	31.7
ROCE (%)	23.0	21.9	20.3	20.5	18.5
Return on average assets (%)	8.8	6.1	7.4	7.2	6.2

Source: CIMB Securities, Company

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Buy	The stock's total return is expected to exceed 10% over the next twelve (12) months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next twelve (12) months.
Reduce	The stock's total return is expected to fall below 0% or more over the next twelve (12) months.
	Note: The total expected return of a stock is defined as the sum of: *(a) the percentage difference between the target price and the current price; and* *(b) the forward net dividend yields of the stock. Stock price targets have an investment horizon of twelve (12) months.*
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Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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