Bermaz Auto

HLIB Research PP 9484/12/2012 (031413)
10 September 2026
Results Review: 1QFY27

Commendable start

BAuto started the FY27 on a commendable note, with core PATMI of RM41.8m, accounting for 30.9% of our full-year forecast and 32.9% of consensus, despite ongoing intense market competition and weaker consumer sentiment. Its order backlog remains relatively healthy at 2,150 units, mainly supported by the Mazda 3 and new CX-5. The group declared a first interim dividend of 2 sen/share. We maintain our BUY recommendation with an unchanged TP of RM1.18, based on 10x CY27 earnings, underpinned by an attractive prospective dividend yield of 9.1%.

Within expectations. BAuto reported 1QFY27 core PATMI of RM41.8m (-6.1% QoQ, +373.4% YoY). We deem the results to be in line with our expectations (at 30.9% of our full year forecast) and consensus (32.7%), as we expect subsequent slower quarters due to stiff market competitions and normalizing Mazda 3 sales. The group recorded net EIs of -RM1.3m in 1QFY27, mainly on forex losses and provisions for inventory, partially offset by derivative gains.

Dividend. Declared a first interim dividend of 2 sen/share (ex-date: 19 Oct 2027).

QoQ. Despite flattish revenue, core PATMI eased by 6.1% to RM41.8m, mainly affected by weaker margin from XPeng distributorship, following higher marketing expenses incurred during the quarter.

YoY. Core PATMI improved by 3.7x mainly driven by higher Mazda Malaysia sales volume and higher margin, partially offset by weaker XPeng margin (higher marketing expenses) and Mazda Philippines operation (lower sales volume and margin).

Outlook. The operating environment in Malaysia is expected to remain highly competitive, driven by aggressive model launches from Chinese OEMs offering attractive pricing, alongside weaker consumer sentiment amid higher cost of living pressures. BAuto recently launched the new CX-5 2.5G, while the Xpeng Mona L03 EV is scheduled for launch in April 2027. Management has guided it has an order backlog of approximately 2,150 units, mainly from Mazda Malaysia at 1,700 units. Meanwhile, XPeng has commenced local CKD production of the G6 at EPMB's assembly plant, with the X9 expected to follow. In the Philippines, market conditions remain challenging, with intense competition from Chinese OEMs compounded by constrained fuel supply, elevated fuel prices and subdued consumer sentiment.

Forecast. Following the annual report update, we have maintained our FY27 earnings forecast, made a minor 0.7% downward adjustment to FY28, and introduced our FY29 forecast at RM137m.

Maintain BUY, TP: RM1.18. We maintain our BUY recommendation with an unchanged target price to RM1.18, based on a target P/E of 10x on CY27 EPS. The group is sustaining a healthy balance sheet, reflected by a net cash position of RM187.4m (16.5 sen/share) as at end-1QFY27, with an attractive dividend yield of 9.1%.

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BUY (Maintain)

Target price (TP):	RM1.18
Previous TP:	RM1.18
Current price:	RM0.93

Capital upside	26.9%
Dividend yield	9.1%
Total expected return	36.0%

Sector classification

Automotive

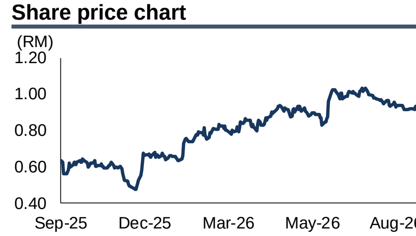
Company description

Bermaz Auto (BAuto) is involved in distribution, assembly, retailing and after sales service of Mazda and Xpeng vehicles in Malaysia and distribution of Mazda in the Philippines.

Major shareholders

Dynamic Milestone	16.8%
Permodalan Nasional Berhad	12.1%
Lembaga Tabung Haji	7.1%

Share price chart



Stock information

Bloomberg ticker	BAUTO MK
Bursa stock code	5248
Issued shares (m)	1,131
Market capitalisation (RM m)	1,052
3M average volume ('000)	1,926
Shariah compliant	Yes
FTSE Russell ESG rating	★★★★

Core earnings summary

FYE Dec	FY26	FY27f	FY28f
PATMI (RM m)	105	135	136
EPS (sen)	9.3	11.9	12.0
P/E (x)	10.0	7.8	7.8

Financial forecast table

Balance Sheet

FYE Apr (RM m)	FY25	FY26	FY27f	FY28f	FY29f
Cash	434	424	433	464	494
Receivables	206	149	161	166	172
Inventories	501	559	574	592	614
PPE	46	109	116	121	126
Others	501	420	436	429	422
Assets	**1,688**	**1,661**	**1,720**	**1,773**	**1,829**
Payables	226	264	250	258	268
Debt	226	205	205	205	205
Others	504	438	435	432	429
Liabilities	**955**	**907**	**889**	**895**	**902**
Shareholder's equity	642	681	728	767	808
Minority interest	91	73	80	87	96
Equity	**733**	**754**	**808**	**855**	**904**

Income Statement

FYE Apr (RM m)	FY25	FY26	FY27f	FY28f	FY29f
Revenue	2,622	2,274	2,297	2,368	2,456
EBITDA	240	222	216	217	218
EBIT	213	197	192	192	194
Net interest	(3)	0	0	2	3
Associates & JV	12	(25)	0	0	0
Profit before tax	222	172	193	194	196
Tax	(56)	(57)	(50)	(50)	(51)
Net profit	166	115	143	144	145
Minority interest	(12)	(12)	(7)	(8)	(8)
Core PATMI	**154**	**105**	**135**	**136**	**137**
Exceptionals	(1)	(1)	0	0	0
Reported PATMI	154	105	135	136	137
Consensus core PATMI			128	146	157
HLIB/ Consensus (%)			106%	93%	87%

Cash Flow Statement

FYE Apr (RM m)	FY25	FY26	FY27f	FY28f	FY29f
EBITDA	240	222	216	217	218
Net Interest	(3)	0	0	2	3
Taxation	(75)	(33)	(50)	(50)	(51)
Working Capital	29	(15)	(42)	(14)	(18)
Others	32	(9)	4	4	3
CFO	**223**	**164**	**128**	**157**	**156**
Capex	(10)	(44)	(16)	(15)	(15)
Others	70	14	0	0	0
CFI	**60**	**(30)**	**(16)**	**(15)**	**(15)**
Changes in debt	163	(21)	0	0	0
Shares issued	(6)	(18)	0	0	0
Dividends	(345)	(61)	(88)	(96)	(96)
Others	(22)	(23)	(15)	(14)	(14)
CFF	**(210)**	**(123)**	**(103)**	**(111)**	**(111)**
Net cash flow	**72**	**11**	**9**	**31**	**30**
Forex	(3)	(21)	0	0	0
Others	0	(0)	0	0	0
Beginning cash	365	434	424	433	464
Ending cash	434	424	433	464	494

Valuation & Ratios

FYE Apr	FY25	FY26	FY27f	FY28f	FY29f
Reported EPS (sen)	13.2	9.2	11.9	12.0	12.1
Core EPS (sen)	13.6	9.3	11.9	12.0	12.1
P/E (x)	6.8	10.0	7.8	7.8	7.7
DPS (sen)	17.1	7.3	8.5	8.5	8.5
Dividend yield (%)	18.4%	7.8%	9.1%	9.1%	9.1%
BVPS (RM)	0.55	0.60	0.64	0.68	0.71
P/B (x)	1.7	1.6	1.5	1.4	1.3
EBITDA margin	9.2%	9.8%	9.4%	9.1%	8.9%
EBIT margin	8.1%	8.6%	8.4%	8.1%	7.9%
PBT margin	8.5%	7.6%	8.4%	8.2%	8.0%
Net margin	5.9%	4.6%	5.9%	5.7%	5.6%
ROE (%)	21.2%	15.9%	19.2%	18.2%	17.4%
ROA (%)	8.6%	6.3%	8.0%	7.8%	7.6%
Net gearing (%)	N.Cash	N.Cash	N.Cash	N.Cash	N.Cash
N.Cash/share (sen)	18.3	19.3	20.1	22.9	25.5

Assumptions

FYE Apr	FY25	FY26	FY27f	FY28f	FY29f
Sales volume					
Mazda Msia	11,468	9,814	10,720	10,670	10,700
Kia Msia	951	682	0	0	0
Xpeng Msia	0	1,501	1,800	2,000	2,200
Peugeot Msia	444	0	0	0	0
Mazda Php	1,779	1,526	1,480	1,500	1,530

Results table

FYE Apr (RMm)	1QFY26	4QFY26	1QFY27	QoQ (%)	YoY (%)
Revenue	491.3	544.7	553.1	1.5%	12.6%
EBITDA	35.9	68.5	61.6	-10.1%	71.6%
Core EBIT	29.4	62.7	56.1	-10.4%	91.1%
Interest Expense	(1.9)	(1.5)	(2.0)	33.0%	6.6%
Interest on Lease Liability	(1.0)	(0.8)	(0.8)	-8.7%	-25.9%
Interest and Investment Income	2.3	2.6	2.7	2.9%	16.4%
Associates					
MMSB	(0.2)	4.3	1.0	-76.4%	N.M.
Inokom	(5.7)	0.2	0.1	-50.6%	N.M.
KMSB	(3.2)	(2.0)	0.0		
Others	(0.2)	(0.2)	(0.1)		
Core PBT	19.5	65.3	57.2	-12.5%	193.3%
Exceptionals	(0.6)	2.1	(1.3)		
Reported PBT	18.9	67.4	55.9	-17.1%	195.0%
Tax	(8.3)	(17.7)	(14.4)	-18.6%	72.5%
MI	(2.3)	(3.1)	(1.0)	-68.8%	-58.3%
Reported PATAMI	8.3	46.6	40.5	-13.1%	389.3%
Core PATAMI	**8.8**	**44.5**	**41.8**	***-6.1%***	***373.4%***
Reported EPS (Sen)	0.7	4.1	3.6	-13.0%	399.9%
Core EPS (Sen)	0.8	3.9	3.7	-6.0%	383.6%
				%-pts	%-pts
EBITDA Margin (%)	7.3%	12.6%	11.1%	(1.4)	3.8
Core EBIT Margin (%)	6.0%	11.5%	10.2%	(1.4)	4.2
Core PATAMI Margin (%)	1.8%	8.2%	7.6%	(0.6)	5.8

Bursa, HLIB Research

Results breakdown

FYE Apr (RMm)	1QFY26	4QFY26	1QFY27	QoQ (%)	YoY (%)
Revenue					
Malaysia	425.0	496.6	515.0	3.7%	21.2%
Philippines	66.2	48.0	38.1	-20.7%	-42.5%
Total	**491.3**	**544.7**	**553.1**	***1.5%***	***12.6%***
EBIT					
Malaysia	22.1	79.6	53.1	-33.3%	140.4%
Philippines	7.2	2.6	2.2	-14.1%	-69.6%
Others	(0.5)	(17.4)	(0.4)		
Total	**28.8**	**64.8**	**54.8**	***-15.3%***	***90.3%***
Core EBIT	**29.4**	**62.7**	**56.1**	***-10.4%***	***91.1%***

Bursa, HLIB Research

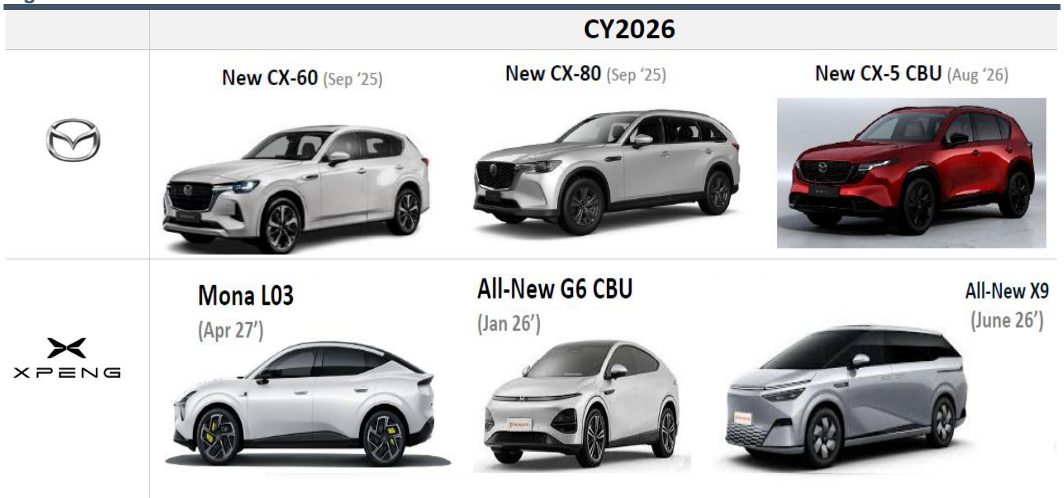
Quarterly sales volume

FYE Apr (RMm)	1QFY26	4QFY26	1QFY27	QoQ (%)	YoY (%)
Mazda CBU					
Mazda 2	6	4	2	-50.0%	-66.7%
Mazda 3	100	1,319	1,840	39.5%	1740.0%
Mazda 6	5	1	0	-100.0%	-100.0%
CX-3	31	7	15	114.3%	-51.6%
CX-60	0	278	138	-50.4%	N.M.
CX-80	0	6	6	0.0%	N.M.
CX-9	1	0	1	N.M.	0.0%
MX-5	4	0	0	N.M.	-100.0%
BT-50	4	8	4	-50.0%	0.0%
Subtotal	**151**	**1,623**	**2,006**	**23.6%**	**1228.5%**
Mazda CKD					
CX-30	573	460	337	-26.7%	-41.2%
CX-5	684	574	521	-9.2%	-23.8%
CX-8	185	176	155	-11.9%	-16.2%
Subtotal	**1,442**	**1,210**	**1,013**	**-16.3%**	**-29.8%**
Total Mazda Malaysia	**1,593**	**2,833**	**3,019**	**6.6%**	**89.5%**
KIA					
Carnival (CKD)	117	1	0	N.M.	N.M.
Sorento (CKD)	3	1	0	N.M.	N.M.
Kia Sportage (CKD)	72	15	0	N.M.	N.M.
EV6	2	3	0	N.M.	N.M.
EV9	1	1	0	N.M.	N.M.
Total KIA Malaysia	**195**	**21**	**0**	**N.M.**	**N.M.**
Xpeng					
G6 (CBU)	128	190	271	42.6%	111.7%
X9 (CBU)	258	88	138	56.8%	-46.5%
Total XPeng Malaysia	**386**	**278**	**409**	**47.1%**	**6.0%**
Total Malaysia	**2,174**	**3,132**	**3,428**	**9.5%**	**57.7%**
The Philippines					
Mazda 2	0	9	3	-66.7%	N.M.
Mazda 3	53	69	40	-42.0%	-24.5%
Mazda 6	1	0	0	N.M.	-100.0%
CX-30	11	18	8	-55.6%	-27.3%
CX-5	37	26	13	-50.0%	-64.9%
CX-60	88	83	56	-32.5%	-36.4%
CX-7	45	43	26	-39.5%	-42.2%
CX-90	36	20	31	55.0%	-13.9%
MX-5	65	56	36	-35.7%	-44.6%
BT-50	128	46	50	8.7%	-60.9%
Total Mazda Philippines	**464**	**370**	**263**	**-28.9%**	**-43.3%**
GRAND TOTAL	**2,638**	**3,502**	**3,691**	**5.4%**	**39.9%**

Company

Focus charts

Figure #1 BAuto's new models



Company

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BUY	Expected absolute return of +10% or more over the next 12 months.
HOLD	Expected absolute return of -10% to +10% over the next 12 months.
SELL	Expected absolute return of -10% or less over the next 12 months.
UNDER REVIEW	Rating on the stock is temporarily under review which may or may not result in a change from the previous rating.
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Sector rating guide

OVERWEIGHT	Sector expected to outperform the market over the next 12 months.
NEUTRAL	Sector expected to perform in-line with the market over the next 12 months.
UNDERWEIGHT	Sector expected to underperform the market over the next 12 months.

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