MBSB RESEARCH

Friday 11th. September 2026

Corporate Update

Bermaz Auto Berhad

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

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

Maintain **NEUTRAL**

Unchanged Target Price **RM0.85**

1QFY27 Results Review
Kicking off FY27 Strong

Maintain NEUTRAL. Bermaz Auto Berhad's (BAuto) 1QFY27 results came in ahead of expectations. Mazda MY's backlog moderated to 1.7k units (from 2.0k units in 4QFY26), while XPeng and Mazda PH backlogs stood at 250 units and 200 units, respectively. We maintain our earnings estimates for now, pending further details from the briefing. Our target price remains unchanged at **RM0.85**, based on an unchanged 8x FY27F P/E. The valuation remains at a -1.0SD discount to its 5-year historical mean, reflecting continued intense competition in the non-national segment.

Above expectations. BAuto reported core PATAMI of RM39.6m for 1QFY27, exceeding expectations at 32%/31% of our/consensus full-year estimates. The positive variance was mainly attributable to better-than-expected margins from Mazda MY. The Board declared a first interim dividend of 2.0 sen for FY27, implying a payout ratio of 57%.

Mazda 3 continued to see strong reception. Group revenue grew by +12.6%yoy in 1QFY27, underpinned by stronger domestic operations (+21.2%yoy), driven by an +89.8%yoy surge in Mazda MY unit sales. The increase was solely attributable to the Mazda 3 1.5L High+, which recorded an 18.4x jump in sales. XPeng unit sales also rose by +6.0%yoy, although its profitability was reportedly impacted by higher promotional activities. Despite this, stronger Mazda MY performance lifted domestic operating profit by 2.4x. In the Philippines, revenue declined by -42.5%yoy following an -43.3%yoy drop in Mazda PH unit sales, which subsequently led to a -69.6%yoy contraction in operating profit. Altogether, core PATAMI increased 4.6x, supported by stronger domestic margins and a lower effective tax rate.

Heavier promotions weighed on XPeng profitability. Compared with 4QFY26, revenue edged up +1.5%qoq, mainly driven by stronger domestic operations, with Mazda MY and XPeng unit sales rising +6.6%qoq and +47.1%qoq, respectively. Despite higher sales volumes, domestic operating profit fell -33.4%qoq, with XPeng profitability impacted by heavier discounting. Meanwhile, the Philippines operations remained weaker, with revenue declining -20.7%qoq on an -28.9%qoq drop in unit sales, while operating profit fell -13.9%qoq. Consequently, core PATAMI declined -11.5%qoq.

Earnings estimates. We keep our earnings estimates unchanged.

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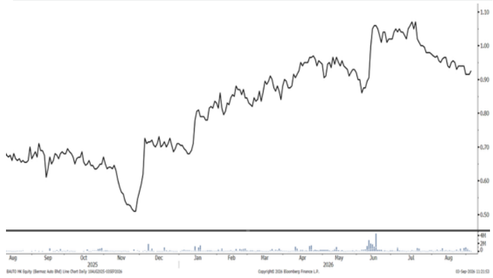
RETURN STATISTICS	
Price @ 10th September 2026 (RM)	0.93
Expected share price return (%)	-7.3
Expected dividend yield (%)	+7.5
Expected total return (%)	+0.2

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-4.6	-3.9
3 months	-7.8	2.1
12 months	37.3	26.6

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	10.8	12.2
DPS (sen)	6.0	7.0	7.9
Dividend yield	6.5%	7.5%	8.5%

KEY STATISTICS	
FBM KLCI	1,705.52
Issued shares (m)	1,134.02
Estimated free float (%)	58.76
Market Capitalisation (RM'm)	1,046.20
52-wk price range	RM0.49 - RM1.10
3-mth average daily volume	1.96
3-mth average daily value	1.93
Top Shareholders (%)	
Dynamic Milestone Sdn Bhd	16.78
Amanah Saham Nasional Bhd	7.64
Lembaga Tabung Haji	7.11

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BAUTO: 1QFY27 RESULTS SUMMARY

FYE Apr (RM'm)	Quarterly					Cumulatively		
Income Statement	**1QFY27**	**4QFY26**	**1QFY26**	**QoQ**	**YoY**	**3MFY27**	**3MFY26**	**YoY**
Revenue	553.1	544.7	491.3	1.5%	12.6%	553.1	491.3	12.6%
Malaysia	515.0	496.6	425.0	3.7%	21.2%	515.0	425.0	21.2%
Philippines	38.1	48.0	66.2	-20.7%	-42.5%	38.1	66.2	-42.5%
Operating profit	54.8	64.8	28.7	-15.3%	91.3%	54.8	28.7	91.3%
Malaysia	53.1	79.7	22.1	-33.4%	140.4%	53.1	22.1	140.4%
Philippines	2.2	2.5	7.2	-13.9%	-69.6%	2.2	7.2	-69.6%
Net finance costs	-0.04	0.3	-0.4	-111.8%	91.2%	0.0	-0.4	91.2%
Associates	1.1	2.3	-9.3	-54.6%	111.4%	1.1	-9.3	111.4%
PBT	55.9	67.4	18.9	-17.1%	195.0%	55.9	18.9	195.0%
Tax expense	-14.4	-17.7	-8.3	18.6%	-72.5%	-14.4	-8.3	-72.5%
PATAMI	40.5	46.6	8.3	-13.1%	389.3%	40.5	8.3	389.3%
Core PATAMI	39.6	44.8	8.6	-11.5%	361.0%	39.6	8.6	361.0%
				ppts	**ppts**			**ppts**
OP margin	9.9%	11.9%	5.8%	-2.0	4.1	9.9%	5.8%	4.1
OP margin MY	10.3%	16.0%	5.2%	-5.7	5.1	10.3%	5.2%	5.1
OP margin PH	5.8%	5.3%	10.9%	0.5	-5.1	5.8%	10.9%	-5.1
PBT margin	10.1%	12.4%	3.9%	-2.3	6.2	10.1%	3.9%	6.2
Core PATAMI margin	7.2%	8.2%	1.7%	-1.1	5.4	7.2%	1.7%	5.4
Effective tax rate	-25.8%	-26.2%	-44.0%	0.5	18.3	-25.8%	-44.0%	18.3

SHARE OF RESULTS OF ASSOCIATES

FYE Apr (RM'm)	Quarterly					Cumulatively		
PAT	**1QFY27**	**4QFY26**	**1QFY26**	**QoQ**	**YoY**	**3MFY27**	**3MFY26**	**YoY**
Mazda Malaysia	1.0	4.3	-0.2	-76.4%	557.0%	1.0	-0.2	557.0%
Inokom	0.1	0.2	-5.7	-50.6%	102.2%	0.1	-5.7	102.2%
KIA Malaysia Sdn Bhd	0.03	-2.0	-3.2	101.4%	100.9%	0.0	-3.2	100.9%
Other	-0.1	-0.2	-0.2	35.6%	50.2%	-0.1	-0.2	50.2%
Total	1.1	2.3	-9.3	-54.6%	111.4%	1.1	-9.3	111.4%
Units sold	**1QFY27**	**4QFY26**	**1QFY26**	**QoQ**	**YoY**	**3MFY27**	**3MFY26**	**YoY**
Mazda Malaysia	1,377	2,972	1,925	-53.7%	-28.5%	1,377	1,925	-28.5%
Inokom	5,010	6,479	6,990	-22.7%	-28.3%	5,010	6,990	-28.3%
KIA Malaysia Sdn Bhd	607	527	104	15.2%	483.7%	607	104	483.7%

Source: BAuto, MBSBR

UNIT SOLD BY MODELS (MALAYSIA)

FYE April (Units)	Quarterly					Cumulatively		
Mazda CBU	**1QFY27**	**4QFY26**	**1QFY26**	**QoQ**	**YoY**	**3MFY27**	**3MFY26**	**YoY**
Mazda 2	2	4	6	-50.0%	-66.7%	2	6	-66.7%
Mazda 3	1,840	1,319	100	39.5%	1740.0%	1,840	100	1740.0%
Mazda 6	-	1	5	-	-	-	5	-
CX-3	15	7	31	114.3%	-51.6%	15	31	-51.6%
CX-60	138	278	-	-50.4%	-	138	-	-
CX-9	1	-	1	-	0.0%	1	1	0.0%
CX-80	6	6	-	0.0%	-	6	-	-
MX-5	-	-	4	-	-	-	4	-
MX-30	5	5	-	0.0%	-	5	-	-
BT-50	4	8	4	-50.0%	0.0%	4	4	0.0%
	2,011	1,628	151	23.5%	1231.8%	2,011	151	1231.8%
Mazda CKD	**1QFY27**	**4QFY26**	**1QFY26**	**QoQ**	**YoY**	**3MFY27**	**3MFY26**	**YoY**
CX-5	521	574	684	-9.2%	-23.8%	521	684	-23.8%
CX-8	155	176	185	-11.9%	-16.2%	155	185	-16.2%
CX-30	337	460	573	-26.7%	-41.2%	337	573	-41.2%
	1,013	1,210	1,442	-16.3%	-29.8%	1,013	1,442	-29.8%
KIA CBU	**1QFY27**	**4QFY26**	**1QFY26**	**QoQ**	**YoY**	**3MFY27**	**3MFY26**	**YoY**
EV6	-	3	2	-	-	-	2	-
EV9	-	1	1	-	-	-	1	-
	0	4	3	-	-	0	3	-
KIA CKD	**1QFY27**	**4QFY26**	**1QFY26**	**QoQ**	**YoY**	**3MFY27**	**3MFY26**	**YoY**
Carnival	-	1	117	-	-	-	117	-
Sorento	-	1	3	-	-	-	3	-
Sportage	-	15	72	-	-	-	72	-
	0	17	192	-100.0%	-100.0%	0	192	-
XPeng CBU	**1QFY27**	**4QFY26**	**1QFY26**	**QoQ**	**YoY**	**3MFY27**	**3MFY26**	**YoY**
G6	271	190	128	42.6%	111.7%	271	128	111.7%
X9	138	88	258	56.8%	-46.5%	138	258	-46.5%
	409	278	386	47.1%	6.0%	409	386	6.0%
Total Volume	**3,433**	**3,137**	**2,174**	**9.4%**	**57.9%**	**3,433**	**2,174**	**57.9%**

Source: BAuto, MBSBR

UNITS SOLD BY MODELS (PHILIPPINES)

	Quarterly					Cumulatively		
Mazda CBU	**1QFY27**	**4QFY26**	**1QFY26**	**QoQ**	**YoY**	**3MFY27**	**3MFY26**	**YoY**
Mazda 2	3	9	-	-66.7%	-	3	-	-
Mazda 3	40	69	53	-42.0%	-24.5%	40	53	-24.5%
Mazda 6	-	-	1	-	-	-	1	-
CX-30	8	18	11	-55.6%	-27.3%	8	11	-27.3%
CX-5	13	26	37	-50.0%	-64.9%	13	37	-64.9%
CX-60	56	83	88	-32.5%	-36.4%	56	88	-36.4%
CX-8	26	43	45	-39.5%	-42.2%	26	45	-42.2%
CX-90	31	20	36	55.0%	-13.9%	31	36	-13.9%
MX-5	36	56	65	-35.7%	-44.6%	36	65	-44.6%
BT-50	50	46	128	8.7%	-60.9%	50	128	-60.9%
Total Volume	263	370	464	-28.9%	-43.3%	263	464	-43.3%

SUMMARY OF UNITS SOLD

	Quarterly					Cumulatively		
Marques	**1QFY27**	**4QFY26**	**1QFY26**	**QoQ**	**YoY**	**3MFY27**	**3MFY26**	**YoY**
Mazda MY	3,024	2,838	1,593	6.6%	89.8%	3,024	1,593	89.8%
Kia	0	21	195	-100.0%	-100.0%	0	195	-100.0%
XPeng	409	278	386	47.1%	6.0%	409	386	6.0%
Mazda PH	263	370	464	-28.9%	-43.3%	263	464	-43.3%
Total Volume	3,696	3,137	2,174	17.8%	70.0%	3,696	2,638	40.1%

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)	30.7	13.3	9.0	10.8	12.2
PER (x)	3.0x	7.0x	10.3x	8.6x	7.6x
DPS (sen)	26.0	16.8	6.0	7.0	7.9
Dividend yield (%)	28.0%	18.0%	6.5%	7.5%	8.5%

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	23.9	33.2	29.9
Operating cash flow	**202.2**	**225.5**	**161.8**	**210.0**	**227.7**
Capex	-14.2	-9.9	-44.3	-15.0	-15.0
Investing cash flow	**-15.0**	**69.9**	**-19.3**	**-15.0**	**-15.0**
Dividends paid	-297.7	-344.8	-60.5	-79.4	-89.6
Debt raised/(repaid)	-37.5	163.1	-21.2	-5.0	-4.0
Financing cash flow	**-361.4**	**-223.2**	**-131.2**	**-84.4**	**-93.6**
Net cash flow	**-174.2**	**72.2**	**11.4**	**110.6**	**119.1**
Beginning cash	**0.0**	**537.6**	**364.8**	**423.9**	**534.5**
Ending cash	**364.8**	**433.7**	**423.9**	**534.5**	**653.6**

Balance Sheet (RM'm)	2024A	2025A	2026A	2027F	2028F
PPE	48.0	45.7	108.4	98.2	89.9
ROU assets	84.0	80.4	59.5	55.2	49.2
Non-current assets	**609.7**	**532.4**	**524.3**	**509.9**	**495.5**
Inventories	686.8	500.9	560.5	483.3	505.5
Receivables	223.7	206.2	139.9	154.1	161.0
Cash balances	364.8	433.7	423.9	534.5	653.6
Current assets	**1,277.5**	**1,155.3**	**1,130.8**	**1,360.3**	**1,431.5**
LT borrowings	0.0	0.0	129.7	0.0	0.0
Non-current liabilities	**387.2**	**368.5**	**419.8**	**288.1**	**288.1**
ST borrowings	62.5	74.8	74.8	47.5	43.5
Payables	381.0	264.2	256.5	268.1	280.4
Current liabilities	**591.3**	**586.3**	**481.2**	**804.4**	**812.7**
Share capital	626.2	629.4	629.4	629.4	629.4
Reserves	196.0	27.3	83.4	106.9	155.5
Total equity	**908.6**	**732.8**	**754.2**	**777.6**	**826.2**

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%	6.5%	7.2%
ROE	38.3%	20.9%	13.7%	15.7%	16.7%

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

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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