

09 October 2026

Bermaz Auto

All-new CX-5 Officially Launched

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The 2026 all-new Mazda CX-5 (CBU now, CKD in July/August 2027) was officially launched on 8th October 2026. This marked the start of BAUTO's new earnings growth trajectory. Net profit should sustain above RM100m for FY27 before climbing closer to RM200m post launch of the CKD variant of the all-new CX-5 by July/August 2027 and the new B-segment compact SUV CKD production by end-2027 (the new-volume driver with competitive value-for-money pricing). We have sufficiently factored the new models pending official launches to determine the market responses. We maintain our forecasts, TP of RM1.30 and OUTPERFORM call.

The 2026 all-new Mazda CX-5 (CBU now, CKD in July/August 2027) officially launched on 8th October 2026. Following the public debut at the Kuala Lumpur International Mobility Show (KLIMS) in June 2026, BAUTO received 600 units of pre-launch order bookings with official delivery to start on 8th October 2026 after the official launches at One Utama Mall with 200 units for immediate delivery, and 70 units for showrooms. It is vying to deliver up to 300 units per month for CBU, scaled up thereafter for the CKD version up to 500 units per month.

Priced at RM171,510 OTR (limited 300 units with sunroof, RM3k OTR cheaper, without sunroof at RM168k), the third-generation, fully imported (CBU) 2026 Mazda CX-5 represents a substantial evolution over its second-generation predecessor. It features a larger overall footprint and a cleaner, less-cluttered exterior design defined by minimal character lines, a prominent 3D-textured grille, and a sharper rear apron with dual tailpipes. Inside, the cabin underwent a radical digital overhaul by completely dropping physical climate buttons and the traditional Mazda Commander rotary knob in favour of a dominant touchscreen infotainment setup. Mechanically, powered by a 2.5-litre naturally aspirated engine and equipped with upgraded Advanced Driver Assistance Systems (ADAS) including Cruising & Traffic Support (CTS), the new third-generation model trades the analog switchgear and familiar layout of past iterations for a more spacious, digitized, and minimalist flagship SUV experience. As is the case with most Mazda vehicles, the CX-5 comes with a five-year/100,000-km manufacturer warranty and free maintenance package as well as Activ-e window film.

In response to rising China automakers' market share, BAUTO will focus on targeting niche market for Mazda enthusiast which has been their defensive forte move compared to other Japanese carmakers.

Next models in the pipeline? B-Segment SUV, and Mazda 6e EVs.

New Compact SUV (B-Segment/Sub-compact) by end-2027/early-2028 – new CKD volume driver? A new, as-yet-unnamed B-segment SUV (ASEAN car) is expected to emerge from Mazda's investment in Thailand, which is being established as a regional hub for next-generation compact SUVs. Meanwhile, for the Malaysia market, it will directly start as CKD model for BAUTO. This model is considered to be volume focused with competitive pricing of around RM120k level "new compact SUV" tied to future production plans. The size of the vehicle will be larger than Mazda 2 and on Mazda CX-30 platform. Mazda has shown a "Vision X-Compact" concept, featuring new Skyactiv-Z engine technology, potentially influencing the design and technology of future small cars. Mazda is transitioning to Phase 2 (2025–2027) of its electrification strategy, which involves upgrading production lines to facilitate the manufacturing of new compact hybrid (MHEV) models.

OUTPERFORM ↔

Price: RM0.91
Target Price: RM1.30 ↔

Share Price Performance



KLCI 1,601.01
YTD KLCI chg -4.7%
YTD stock price chg 29.6%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	BAUTO MK Equity
Market Cap (RM m)	1,020.2
Shares Outstanding	1,127.3
52-week range (H)	1.10
52-week range (L)	0.49
3-mth avg daily vol:	1,823,516
Free Float	64%
Beta	1.1

Major Shareholders

Dynamic Milestone Sdn Bhd	16.9%
Amanah Saham Nasional	7.1%
Lembaga Tabung Haji	6.6%

Summary Earnings Table

FY Apr (RM m)	2026A	2027F	2028F
Revenue	2,275.6	2,881.0	3,468.1
EBIT	191.8	195.3	245.5
PBT	174.3	199.2	250.9
Core net profit	104.7	141.7	178.4
Consensus (NP)	-	143.5	156.6
Earnings Revision	-	-	-
Core EPS (sen)	9.0	12.2	15.4
Core EPS growth (%)	-31.8	35.3	26.0
NDPS (sen)	7.3	9.8	12.3
BVPS (RM)	0.59	0.57	0.54
PER (x)	10.0	7.4	5.9
PBV (x)	1.5	1.6	1.7
Net Gearing (x)	N.Cash	N.Cash	N.Cash
Net Div. Yield (%)	8.0	10.8	13.6

09 October 2026

The Mazda 6e EVs, price tag at RM250k in 2HCY27? With the cessation of CBU incentives, the all-new CBU entry is expected to be priced at above RM200k CIF level, and could reach RM250k-RM300k OTR. BAUTO expects that this model would not be a volume driver (up to 100 units annually) given the uncompetitive pricing points and will focus solely as CBU model. The Mazda 6e (also known as the EZ-6 in China) is a mid-size electric sedan launched in 2024-2025 as a joint venture with Changan Automobile. It features a 78-kWh battery (560 km WLTP range) and a 190-kW rear-wheel-drive electric motor. Designed for comfort with premium features, it aims to deliver EV mobility with traditional Mazda styling and handling characteristics. It is described by Mazda Thailand as the first 100% electric vehicle (BEV) developed by Mazda under the multi-solution technology approach and the Thai-market 6e model is a CBU import from Changan's plant in Nanjing.

Forecasts. Maintained.

Valuations. We also maintained our TP at RM1.30 on unchanged 9x CY27F PER which is at a 2x multiple discount to the sector's average forward PER of 11x and also the same discount to BAUTO's 5-year average historical PER. We expect earnings risk to subside for non-nationals space especially the competition in mid-market and luxury segments with the stricter barrier of entry of new EV brands/models (RM200k CIF price for CBU EVs and localization policy).

There is no adjustment to our TP based on ESG given a 3-star rating as appraised by us (see Page 5).

Investment case. We like BAUTO for: (i) its strong near-term earnings visibility backed by a total order backlog of 1.7k units (higher vs a year ago at 1.5k units), (ii) its premium mid-market Mazda brand that offers superior margins, and (iii) its attractive dividend yield of about 11%. BAUTO has benefitted from the weakened JPY against MYR, more so, as it expands its new Mazda launches towards CBU (CBU/CKD mix of 80%/20% vs 50%/50% in FY26) such as via its all-new CX-5 CBU, CX-60, CX-80 and Mazda 3 that have garnered strong demand from the market. Maintain **OUTPERFORM**.

In response to the Chinese automakers' localization plan, BAUTO has acquired a strategic stake of 11.54% in EP Manufacturing Bhd (EPMB) which provides contract assembly for key Chinese models which will enable BAUTO to benefit (as well as having better control over its Xpeng brand localization) from the expected stronger sales of Chinese value-for-money offerings. Key Chinese models include Xpeng G6 SUV and X9 MPV (BAUTO is the exclusive dealership and distributorship for Xpeng), GWM Haval H6 Hybrid, GWM Jolion, GWM Wey G9 MPV, BAIC BJ40P, X55II SUV and has rolled-out MG localised vehicles. Moreover, for Mazda, it currently focuses on Japanese Domestic Market (JDM) niche market value-for-money offerings to boost its near-to-mid-term earnings, while over the longer horizon, it is currently in negotiation for a better pricing for its upcoming models.

Risks to our call include: (i) consumers cutting back on discretionary spending (particularly big-ticket items like new cars) amidst high inflation, (ii) supply chain disruptions, (iii) escalating input costs, and (iv) MYR weakens against JPY.

All-New Mazda CX-5 officially launched



Source: Paultan.org Kenanga Research

09 October 2026

Income Statement

FY Apr (RM m)	2025A	2026A	2027F	2028F
Revenue	2,623.8	2,275.6	2,881.0	3,468.1
EBIT	205.1	191.8	195.3	245.5
Other Income	9.8	10.7	12.6	16.5
Interest Inc/(Exp)	-2.5	0.3	0.4	1.0
Associate	11.8	-25.0	12.9	14.2
PBT	221.5	174.3	199.2	250.9
Taxation	-56.0	-57.3	-46.8	-59.0
Minority Interest	-11.9	-12.3	-10.7	-13.5
Net Profit	153.6	104.7	141.7	178.4

Balance Sheet

FY Apr (RM m)	2025A	2026A	2027F	2028F
Fixed Assets	45.7	108.4	103.6	98.4
Int. Assets	0.5	0.5	0.5	0.5
Other F. Assets	486.2	415.4	415.4	415.4
Inventories	500.9	560.5	670.7	777.6
Receivables	206.2	139.9	166.7	192.6
Other Current Assets	14.5	6.5	6.5	6.5
Cash	433.7	423.9	439.5	473.0
Total Assets	1,687.7	1,655.2	1,802.9	1,964.1
Payables	225.7	256.5	327.1	395.5
ST Borrowings	225.6	74.8	74.8	74.8
Other ST Liabilities	135.0	149.9	276.8	403.8
LT Borrowings	0.0	0.0	0.0	0.0
Other LT Liabilities	368.5	419.8	419.8	419.8
Net Assets	732.8	754.2	704.8	669.7
Shareholders' Equity	642.1	680.8	663.5	628.4
Minority Interests	90.8	73.4	41.3	41.3
Total Equity	732.8	754.2	704.8	669.7

Cashflow Statement

FY Apr (RM m)	2025A	2026A	2027F	2028F
Operating CF	225.8	162.0	118.7	164.1
Investing CF	69.6	-19.2	9.8	11.1
Financing CF	-223.2	-131.1	-112.9	-141.7
Change In Cash	72.2	11.7	15.6	33.5
Free CF	221.3	157.4	114.1	159.5

Source: Kenanga Research

Financial Data & Ratios

FY Apr	2025A	2026A	2027F	2028F
Growth (%)				
Revenue	-33.2	-13.3	26.6	20.4
EBITDA	-29.5	-34.0	-3.1	21.8
Op. Profit	-51.3	-6.3	-6.6	26.8
PBT	-54.2	-21.3	14.3	26.0
CNP	-55.6	-31.8	35.3	26.0
Profitability (%)				
Operating Margin	8.1	8.7	6.5	6.8
PBT Margin	8.4	7.7	6.9	7.2
Core Net Margin	5.9	4.6	4.9	5.1
ROA	8.7	6.3	8.2	9.5
ROE	20.9	15.8	21.1	27.6

Leverage

Debt/Asset (x)	0.1	0.0	0.0	0.0
Debt/Equity (x)	0.4	0.1	0.1	0.1
Net Cash/(Debt)	(208.1)	(349.1)	(364.7)	(398.3)
N.Debt/Equity(x)	(0.3)	(0.5)	(0.5)	(0.6)

Valuations

Core EPS (sen)	13.2	9.0	12.2	15.4
NDPS (sen)	16.8	7.3	9.8	12.3
BV/sh (RM)	0.6	0.6	0.6	0.5
PER (x)	6.8	10.0	7.4	5.9
Div. Yield (%)	18.5	8.0	10.8	13.6
PBV (x)	1.6	1.5	1.6	1.7
EV/EBITDA (x)	16.1	15.1	15.9	13.2

09 October 2026

Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside (%)	Market Cap (RM'm)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE (%)	Net Div. (sen)	Net Div Yld (%)
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
Stocks Under Coverage																	
BERMAZ AUTO BHD	OP	0.905	1.30	43.6%	1,050.7	Y	04/2026	12.2	15.4	35.3%	25.9%	7.4	5.9	1.5	19.4%	9.8	10.8%
DRB-HICOM BHD	UP	0.900	0.770	-14.4%	1,739.7	Y	12/2026	7.2	7.7	119.9%	6.0%	12.4	11.7	0.2	1.3%	3.0	3.3%
HIL INDUSTRIES BHD	OP	0.610	0.850	39.3%	202.5	Y	12/2026	11.2	11.4	2.8%	2.3%	5.5	5.3	0.4	7.2%	2.0	3.3%
HONG LEONG INDUSTRIES BHD	OP	16.08	21.00	30.6%	5,272.6	Y	06/2026	176.2	183.4	0.6%	4.1%	9.1	8.8	1.7	19.5%	100.0	6.2%
MBM RESOURCES BHD	MP	4.73	5.00	5.7%	1,849.0	Y	12/2026	81.6	82.2	-5.9%	0.7%	5.8	5.8	0.6	11.5%	48.0	10.1%
SIME DARBY BHD	OP	2.48	3.00	21.0%	16,866.5	Y	06/2026	23.7	24.6	4.3%	3.7%	10.5	10.1	0.8	8.2%	14.0	5.6%
TAN CHONG MOTOR HOLDINGS BHD	UP	0.440	0.390	-11.4%	295.7	Y	12/2026	(15.9)	(13.3)	-152.2%	-183.6%	N.A.	N.A.	0.1	-4.2%	1.0	2.3%
SECTOR AGGREGATE					27,276.6					10.6%	5.5%	10.0	9.5	0.7	6.7%		6.0%

Source: Kenanga Research

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09 October 2026

Stock ESG Ratings:

	Criterion	Rating				
GENERAL	Earnings Sustainability & Quality	★	★	★	★	
	Community Investment	★	★	★		
	Workers Safety & Wellbeing	★	★	★		
	Corporate Governance	★	★	★		
	Anti-Corruption Policy	★	★	★		
	Emissions Management	★	★	★		
SPECIFIC	Electric & Hybrid Vehicles Availability	★	★	★		
	Supply Chain Management	★	★	★	★	
	Energy Efficiency	★	★	★		
	Effluent & Water Management	★	★	★	★	
	Training & Education	★	★	★	★	
OVERALL		★	★	★		

☆ denotes half-star
 ★ -10% discount to TP
 ★★ -5% discount to TP
 ★★★ TP unchanged
 ★★★★ +5% premium to TP
 ★★★★★ +10% premium to TP

Stock Ratings are defined as follows:**Stock Recommendations**

OUTPERFORM : A particular stock's Expected Total Return is MORE than 10%
 MARKET PERFORM : A particular stock's Expected Total Return is WITHIN the range of -5% to 10%
 UNDERPERFORM : A particular stock's Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT : A particular sector's Expected Total Return is MORE than 10%
 NEUTRAL : A particular sector's Expected Total Return is WITHIN the range of -5% to 10%
 UNDERWEIGHT : A particular sector's Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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