

BURSA MALAYSIA

(BURSA MK EQUITY, BMYS.KL)

HOLD

(MAINTAINED)

Price: RM9.02

Target Price (% return): RM8.20 (-6%)

52-week High/Low: RM9.08/RM7.20

Stock Exchange

Rationale for report: Company Result

Costs weigh on ADV gains

Keep HOLD on Bursa with a higher TP of RM8.20. 4Q25 results were in line. Following the transfer of coverage, we reset bottom-line assumptions (FY26: +1%, FY27: -17%) and introduced FY28 estimates. Although ADV is improving, we are cautious on cost pressures given Bursa's guidance for a 4-6ppt rise in FY26 CIR. Upside is limited as the stock trades above its 5-year mean P/E (+1SD) and offers a modest 3% yield.

- HOLD at a TP of RM8.20 (from RM7.60)**, pegged to 23x FY26 P/E (from 22x), which is on par to its 5-year mean and sector's 23-24x. Even though Bursa stands to benefit from an ADV upcycle, cost pressures temper our optimism, while valuation looks less compelling after its share price rally of 7% YTD. This report marks the transfer of coverage to our new analyst.
- Largely In line.** Bursa posted FY25 bottom-line of RM252m (-19% YoY), broadly within expectations at 96-97% of our and consensus forecasts. The drop was driven by weaker ADV (-19% YoY), higher opex (+9% from elevated IT and admin cost), and effective tax rate (+2ppt). The company declared a final dividend of 14sen during the quarter.
- ADV gaining traction but...** Jan-26 ADV rose to RM3.1bn, briefly reaching RM4.5bn on renewed net foreign buying, with flows reversing to +RM1.1bn from -RM5.9bn in 4Q25. We see near-term ADV strength sustaining, since foreigners have just turned net buyers after a steep -RM22bn exit in 2025, potential spillover from MSCI-related concerns in ID, and EM rotation amid Fed rate cuts. Nonetheless, we stay conservative, assuming FY26 ADV of RM2.9bn vs RM2.5bn in FY25.
- ...cost is rising fast as well.** We are cautious as management guides FY26 CIR to climb 4-6ppt, driven by higher IT spending for infrastructure and resiliency, while ROE is seen to hover at 27-30% (vs our 35% forecast; FY25/24: 30%/37%). Hence, we do not expect Bursa to repeat its more recent elevated FY24 profit run-rate. Moreover, valuation looks less compelling at this juncture, with much of the ADV upside already priced in by the market, seeing that the stock trades above its 5-year mean (+1SD).

Analyst (s)

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Key Changes

Target Price: ↑

EPS: ↓

Stock and Financial Data

Shares Outstanding (million)	809.3
Market Cap (RMmil)	7,299.9
Book Value (RM/Share)	0.99
P/BV (x)	9.1
ROE (%)	31.3
Net Gearing (%)	-
Free Float	83.1
Avg Daily Value (RMmil)	7.5

Major Shareholders

Capital Market Dev	(18.6%)
EPF	(11.6%)
KWAP	(11.5%)

Price performance	3mth	6mth	12mth
Absolute(%)	8.5	17.8	9.6
Relative(%)	1.1	3.7	(1.7)

Source: Bursa Malaysia, AmInvestment Bank Bhd.

YE to Dec	FY25	FY26F	FY27F	FY28F
Revenue (RM mil)	706.5	799.1	800.6	811.6
Core net profit (RM mil)	251.8	288.7	270.0	257.4
FD Core EPS (sen)	31.1	35.7	33.4	31.8
FD Core EPS growth (%)	(18.8)	14.7	(6.5)	(4.7)
Consensus Net Profit (RM mil)	-	284.7	298.5	-
DPS (sen)	28.0	32.1	30.0	28.6
PE (x)	29.0	25.3	27.0	28.4
EV/EBITDA (x)	19.2	17.1	18.0	18.8
Div yield (%)	3.1	3.6	3.3	3.2
ROE (%)	31.3	34.8	31.5	29.2
Net Gearing (%)	nm	nm	nm	nm

Source: Bursa Malaysia, AmInvestment Bank Bhd.

Price Chart

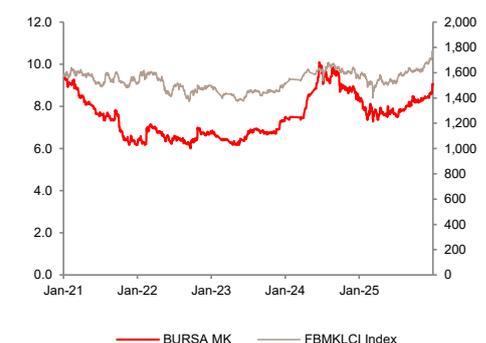
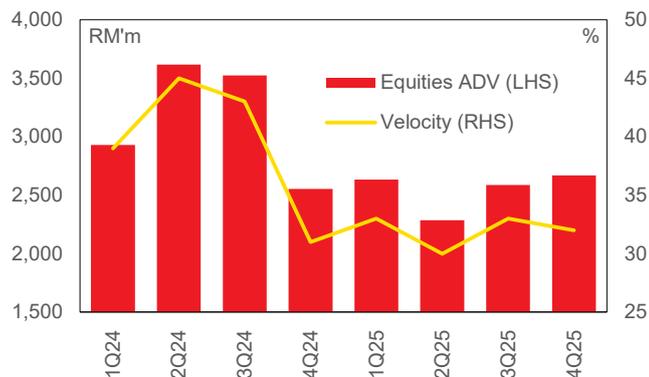


EXHIBIT 1. 4Q25 Results Summary

FYE Dec (RMmil)	4Q25	4Q24	YoY (%)	3Q25	QoQ (%)	2025	2024	YoY (%)
Revenue	183.7	179.1	2.5	173.8	5.7	701.8	757.7	-7.4
Other income	2.1	0.6	>100	1.0	>100	4.8	3.1	55.5
Top-line	185.8	179.8	3.3	174.7	6.3	706.5	760.8	-7.1
Staff cost	(53.6)	(48.9)	9.6	(44.8)	19.8	(195.1)	(193.8)	0.7
Operating expense	(42.7)	(42.0)	1.6	(39.7)	7.7	(156.7)	(144.2)	8.6
EBITDA	89.4	88.8	0.7	90.3	-1.0	354.8	422.8	-16.1
Depreciation & amortization	(9.3)	(9.1)	2.8	(9.1)	3.0	(36.7)	(35.4)	3.7
EBIT	80.1	79.7	0.5	81.2	-1.4	318.1	387.3	-17.9
Finance income	5.1	6.1	-17.0	5.2	-1.3	21.2	23.6	-10.0
Finance cost	(0.1)	(0.1)	0.0	(0.1)	0.0	(0.5)	(0.5)	0.0
PBT	85.1	85.7	-0.8	86.3	-1.4	338.7	410.4	-17.5
Taxation	(23.2)	(17.4)	33.7	(23.0)	0.7	(89.1)	(101.7)	-12.4
PAT	61.9	68.4	-9.5	63.2	-2.2	249.6	308.6	-19.1
MI	0.6	0.5	14.8	0.6	0.0	2.2	1.5	46.4
PATMI - Core	62.5	68.9	-9.3	63.8	-2.1	251.8	310.1	-18.8
El	(1.7)	-	nm	-	nm	(1.7)	-	nm
PATMI - Reported	60.8	68.9	-11.7	63.8	-4.7	250.2	310.1	-19.3
EPS (sen)	7.7	8.5	-9.3	7.9	-2.1	31.1	38.3	-18.8
DPS (sen)	14.0	26.0	-46.2	-	nm	28.0	44.0	-36.4
Profitability ratio (%)								
Ebitda margin	48.7	49.6	-0.9	52.0	-3.3	50.6	55.8	-5.2
Ebit margin	43.6	44.5	-0.9	46.8	-3.1	45.3	51.1	-5.8
Pbt margin	46.3	47.9	-1.5	49.7	-3.3	48.3	54.2	-5.9
Patmi margin	34.0	38.5	-4.4	36.7	-2.7	35.9	40.9	-5.0
Revenue breakdown (RM'mil)								
Securities	82.9	81.2	2.1	78.9	5.2	308.2	381.5	-19.2
Derivatives	29.6	32.9	-9.9	27.0	9.9	112.8	113.8	-0.9
Others	71.1	65.0	9.4	67.9	4.7	280.8	262.4	7.0

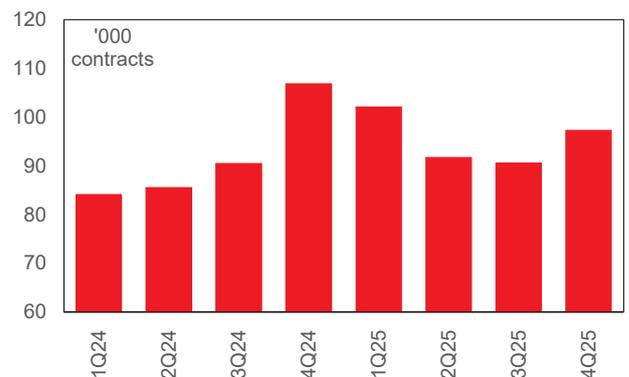
Source: Bursa Malaysia, AmInvestment Bank Bhd.

EXHIBIT 2. QUARTERLY ADV & VELOCITY FOR SECURITIES



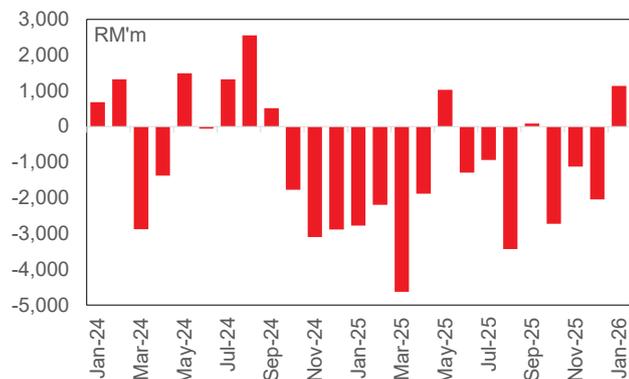
Source: AmInvestment Bank, Bursa Malaysia

EXHIBIT 3. QUARTERLY ADC FOR DERIVATIVES



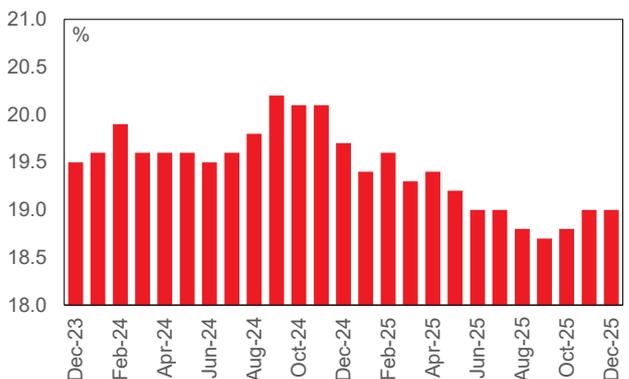
Source: AmInvestment Bank, Bursa Malaysia

EXHIBIT 4. MONTHLY NET FOREIGN EQUITY FLOWS



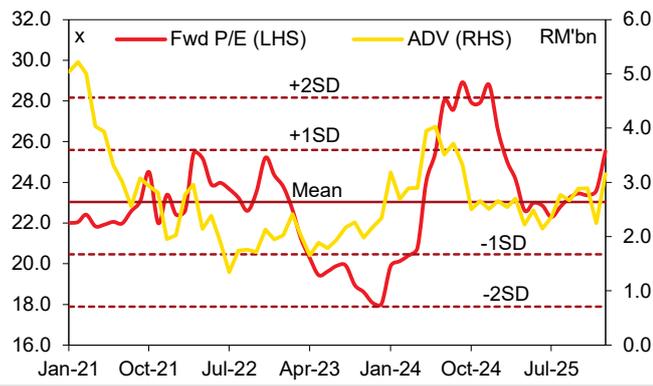
Source: AmInvestment Bank, Bursa Malaysia

EXHIBIT 5. FOREIGN OWNERSHIP OF EQUITIES MARKET



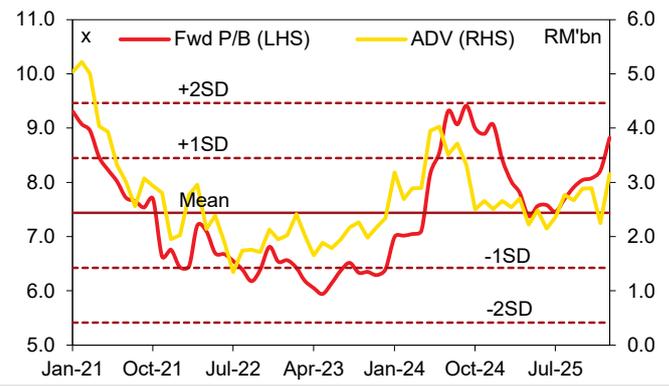
Source: AmInvestment Bank, Bursa Malaysia

EXHIBIT 6. 5-YR FORWARD P/E BAND



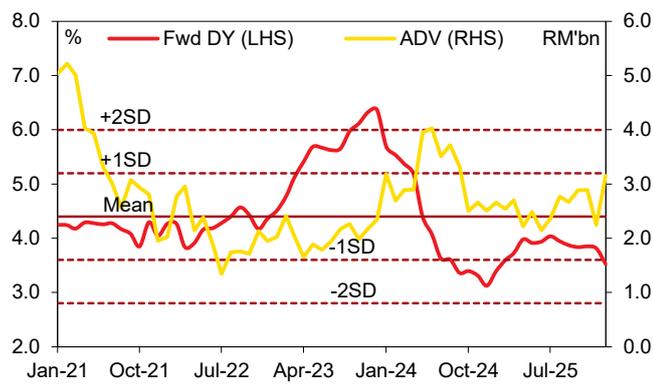
Source: AmInvestment Bank, Bloomberg

EXHIBIT 7. 5-YR FORWARD P/B BAND



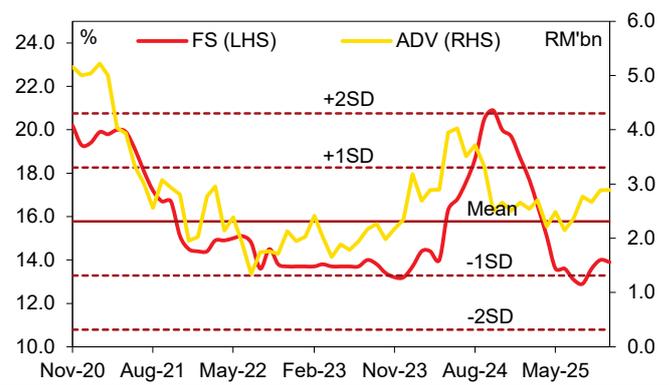
Source: AmInvestment Bank, Bloomberg

EXHIBIT 8. 5-YR FORWARD DY BAND



Source: AmInvestment Bank, Bloomberg

EXHIBIT 9. BURSA'S FOREIGN SHAREHOLDING



Source: AmInvestment Bank, Bloomberg, Bursa Malaysia

EXHIBIT 10. PEERS COMPARISON

	Price (LC)	Target (RM)	Call	P/E (x)		EPS growth (%)		P/B (x)		Div. yield (%)		ROE (%)	
				2026	2027	2026	2027	2026	2027	2026	2027	2026	2027
Bursa	9.02	8.20	BUY	25.3	27.0	14.7	-6.5	8.8	8.5	3.6	3.3	35.4	32.0
SGX	17.66	-	N.R.	27.8	25.7	5.0	8.0	7.9	7.2	2.5	2.8	29.6	29.0
HKX	444.20	-	N.R.	30.7	29.0	4.9	5.8	9.5	9.0	2.8	3.0	31.6	32.1
ASX	57.47	-	N.R.	22.4	21.8	-0.8	2.4	2.8	2.7	3.4	3.6	12.7	12.6
NZX	1.50	-	N.R.	19.4	16.6	22.2	16.9	3.9	3.7	4.5	5.0	19.9	22.1
Sector				25.1	24.0	9.2	5.3	6.6	6.2	3.4	3.5	25.8	25.6

Source: AmInvestment Bank

Company profile

Bursa Malaysia is the sole integrated exchange operator in the country, offering equities, derivatives, and Islamic investment products, alongside full exchange-related services such as listing, clearing, settlement, and depository. Also, it has broadened its ecosystem with new platforms including Bursa Carbon Exchange (2022), BR Capital (2023) and Bursa Gold Dinar (2024).

Bursa's revenue is split into trading and non-trading streams, accounting for 70% and 30% of top-line, respectively. Lion's share of trading revenue is driven by securities and derivatives (90%), while non-trading revenue is derived from data services, listing and issuer-related fees, as well as depository services (90%).

Investment thesis and catalysts

We view Bursa's risk-reward as balanced, following share price rally of 7% YTD. That said, the spike is warranted, seeing it gains from an ADV upcycle, coupled with a robust IPO pipeline (RM28bn of total IPO market capitalization in FY26). Looking ahead, the potential introduction of a Value-Up program (similar to those in Korea and Japan), could rekindle interest in Malaysian equities, positioning Bursa as a clear beneficiary. Also, MSCI-related concerns in ID and EM rotation amid Fed rate cuts could further spur appetite of foreign investors.

However, we are cautious on cost pressures given Bursa's guidance for a 4-6ppt rise in FY26 CIR. Moreover, valuation appears less compelling, with the stock trading at +1SD above its 5-year mean P/E and yield is unexciting at only 3%.

Separately, the new SC fee structure (capped at RM35m/40m/45m for 2026/27/28) is expected to be bottom-line neutral, thanks to the concurrent revision to its listing and regulatory fees, which are estimated to generate additional annual income of RM28-34m.

Valuation methodology

We value Bursa on a P/E basis, given the cyclical nature of its earnings.

We arrived at a TP of RM8.20 and it is based on 23x FY26 P/E. This is on par to its 5-year average P/E and sector's mean of 23-24x.

Risk factors

Key downside risks include:

- i) Slowdown in ADV.
- ii) Inability to rein in cost.
- iii) Adverse regulatory or policy changes.

EXHIBIT 11. VALUATIONS

Target P/E (x)	23.0
FY26 EPS	35.7sen
ESG premium	-
12-month target price	RM8.20

Source: AmInvestment Bank

EXHIBIT 12. CHANGE IN EARNINGS

RM'm	FY26			FY27			FY28		
	New	Old	%	New	Old	%	New	Old	%
Profit	288.7	285.4	1.2	270.0	325.2	-17.0	257.4	-	-

Source: AmInvestment Bank

Financial Summary

Income Statement (RMmil)

YE to Dec	FY24	FY25	FY26F	FY27F	FY28F
Revenue	760.6	706.5	799.1	800.6	811.6
EBITDA	422.6	354.8	392.9	368.5	352.2
Depreciation/Amortisation	(35.4)	(36.7)	(37.3)	(39.0)	(40.7)
Operating income (EBIT)	387.2	318.1	355.5	329.5	311.5
Other income & associates	-	-	-	-	-
Net interest	23.2	20.7	25.6	26.9	28.3
Exceptional items	-	(1.7)	-	-	-
Pretax profit	410.4	337.1	381.2	356.4	339.8
Taxation	(101.7)	(89.1)	(95.3)	(89.1)	(85.0)
Minorities/pref dividends	1.5	2.2	2.9	2.7	2.5
Net profit	310.1	250.2	288.7	270.0	257.4
Core net profit	310.1	251.8	288.7	270.0	257.4

Balance Sheet (RMmil)

YE to Dec	FY24	FY25	FY26F	FY27F	FY28F
Fixed assets	252.7	251.2	229.1	224.9	219.1
Intangible assets	44.7	43.3	44.9	44.9	44.9
Other long-term assets	21.9	20.8	22.3	22.3	22.3
Total non-current assets	319.3	315.3	296.2	292.1	286.3
Cash & equivalent	566.8	480.4	581.3	670.9	670.6
Stock	3.6	5.3	-	-	-
Trade debtors	88.1	88.9	108.8	69.9	111.2
Other current assets	3,377.7	2,334.6	3,670.3	4,090.1	3,953.9
Total current assets	4,036.1	2,909.2	4,360.4	4,830.8	4,735.6
Trade creditors	3,210.0	2,156.1	3,510.2	3,930.0	3,793.8
Short-term borrowings	-	-	-	-	-
Other current liabilities	242.0	244.2	295.2	315.1	325.0
Total current liabilities	3,452.0	2,400.3	3,805.4	4,245.1	4,118.8
Long-term borrowings	-	-	-	-	-
Other long-term liabilities	27.1	23.7	20.5	20.0	19.5
Total long-term liabilities	27.1	23.7	20.5	20.0	19.5
Shareholders' funds	873.8	800.1	829.1	856.1	881.9
Minority interests	2.5	0.3	1.7	1.7	1.8
BV/share (RM)	1.08	0.99	1.02	1.06	1.09

Cash Flow (RMmil)

YE to Dec	FY24	FY25	FY26F	FY27F	FY28F
Pretax profit	410.4	337.1	381.2	356.4	339.8
Depreciation/Amortisation	-	-	-	-	-
Net change in working capital	7.6	69.7	61.6	72.3	(20.8)
Others	(82.2)	(163.1)	(58.0)	(50.1)	(44.3)
Cash flow from operations	335.7	243.7	384.8	378.7	274.8
Capital expenditure	(27.9)	(33.1)	(35.0)	(35.0)	(35.0)
Net investments & sale of fixed assets	-	-	-	-	-
Others	(48.8)	92.9	(5.6)	(2.8)	(2.8)
Cash flow from investing	(76.8)	59.9	(40.6)	(37.8)	(37.8)
Debt raised/(repaid)	-	-	-	-	-
Equity raised/(repaid)	-	-	-	-	-
Dividends paid	(295.4)	(291.3)	(243.2)	(251.4)	(237.3)
Others	42.6	(29.8)	-	-	-
Cash flow from financing	(252.8)	(321.1)	(243.2)	(251.4)	(237.3)
Net cash flow	6.1	(17.6)	101.0	89.5	(0.3)
Net cash/(debt) b/f	494.4	566.8	480.4	581.3	670.9
Net cash/(debt) c/f	566.8	480.4	581.3	670.9	670.6

Key Ratios

YE to Dec	FY24	FY25	FY26F	FY27F	FY28F
Revenue growth (%)	27.9	(7.1)	13.1	0.2	1.4
EBITDA growth (%)	39.9	(16.0)	10.7	(6.2)	(4.4)
Pretax margin (%)	54.0	47.7	47.7	44.5	41.9
Net profit margin (%)	40.8	35.4	36.1	33.7	31.7
Interest cover (x)	nm	nm	nm	nm	nm
Effective tax rate (%)	24.8	26.4	25.0	25.0	25.0
Dividend payout (%)	114.8	90.6	90.0	90.0	90.0

Source: Company, AmInvestment Bank Bhd.

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