

## Company Report

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# BURSA MALAYSIA

(BURSA MK EQUITY, BMYS.KL)

STOCK EXCHANGE

30 Oct 2025

*Securities market trading stays muted amid persistent global trade and monetary policy uncertainties*

**HOLD**

(Maintained)

**Rationale for report: Company Result**

Price RM8.32  
Target price RM7.60  
52-week High/Low RM8.98/RM7.20

### Key Changes

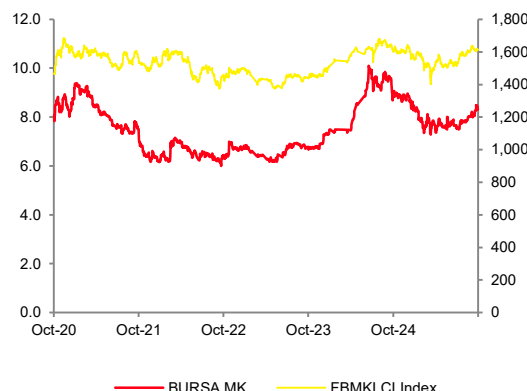
Target price   
EPS 

YE to Dec	FY24	FY25F	FY26F	FY27F
Revenue (RM mil)	784.3	742.0	761.4	851.8
Core net profit (RM mil)	310.7	261.4	285.4	325.2
FD Core EPS (sen)	38.4	32.3	35.3	40.2
FD Core EPS growth (%)	39.2	(15.9)	9.2	14.0
Consensus Net Profit (RM mil)	-	264.5	283.8	297.4
DPS (sen)	35.6	30.0	32.7	37.3
PE (x)	21.7	25.8	23.6	20.7
EV/EBITDA (x)	14.0	16.5	14.4	11.1
Div yield (%)	4.3	3.6	3.9	4.5
ROE (%)	36.6	29.6	31.6	35.2
Net Gearing (%)	nm	nm	nm	nm

### Stock and Financial Data

Shares Outstanding (million)	809.3
Market Cap (RMmil)	6,733.4
Book Value (RM/Share)	1.08
P/BV (x)	7.7
ROE (%)	36.6
Net Gearing (%)	-
Major Shareholders	Capital Market Dev Fund (18.6%) Kumpulan Wang Persaraan (11.3%) Employees Provident Fund (11.3%)
Free Float	58.9
Avg Daily Value (RMmil)	11.5

Price performance	3mth	6mth	12mth
Absolute (%)	9.6	12.7	(6.9)
Relative (%)	3.5	7.6	(7.6)



### Investment Highlights

**Lower securities trading revenue was offset by stronger performance in derivatives, BSAS, and non-trading income in 9MFY25. Investor sentiment remains cautious due to ongoing uncertainty around the Fed's interest rate direction ahead after two widely expected 25bps cuts, persistent geopolitical tension, lack of significant progress in US-China trade negotiations, and unresolved tariff issues—particularly impacting the semiconductor sector. These factors are likely to continue to weigh on the Securities Market trading activity in the near term.**

- **We maintain HOLD on Bursa Malaysia with our target price lowered to RM7.60 (from RM7.70).** Our TP is based on FY26 forward PE of 22x, one standard deviation below the 3-year average. Earnings forecasts for FY25–FY27 have been reduced by 7.6% to 3.8%, reflecting higher operating cost projections. At 23.6x FY26F PE, the stock offers limited upside, with an opportunity to lock in gains following its recent price rise. Management cut FY25 PBT guidance to RM314–RM347mil (from RM369–RM408mil) and reduced the IPO market cap target to RM25.2bil (from RM40.2bil) due to MMC Port's listing delay, while keeping the 60-IPO target unchanged.
- **Bursa's 9MFY25 earnings came in marginally below expectations, primarily due to higher-than-expected operating expenses.** The group posted RM189 million in 9MFY25 earnings, down 21.5% YoY and meeting 67% of our forecast and 71.5% of consensus estimate. The decline stemmed from weaker securities trading, partly offset by gains in derivatives, BSAS, and other revenue streams. CI ratio rose to 52.7% (from 45.7%), driven by lower revenue and higher IT-related expenses. ROE dropped to 31.2% from 39.4%. QoQ, profit rose 11.9% to RM64 million in 3QFY25 on improved Securities Market trading activity and lower operating costs.
- **Trade and monetary policy uncertainties continue to weight on sentiment market sentiment and trading of the Securities Market.** In 3QFY25, Securities Market DATV rose 13.2% QoQ to RM2.59bil, with 9MFY25 averaging RM2.5bil (-25.5% YoY), in line with expectations. Clearing fee eased to 2.46bps on lower retail ADV mix, while foreign outflows from the Securities Market totalled RM16.4bil in 9MFY25.
- **Derivatives trading revenue rose modestly in 9MFY25 with Bursa required to pay SC levy fees on derivatives commencing in FY26.** Higher FCPO contract traded boosted 9MFY25 derivative revenue by 2.8% YoY. From FY26–FY28, Bursa will incur SC levies at 37.5% of derivative revenue, capped at RM35mil, RM40mil, and RM45mil. These costs are expected to be offset by revised listing and regulatory fees, projected to add RM28–RM34mil annually from FY26. The levies remain manageable until FY28, though uncertainty may arise from FY29 onward if the caps continue, and offsets remain unchanged. Non-trading revenue grew 4.4% YoY in 9MFY25, supported by higher fees from listings, issuers, depository services, member services, and connectivity charges.

## EXHIBIT 1: RESULTS SUMMARY

Income Statement (RM mil, FYE 31 Dec)	3Q24	2Q25	3Q25	% QoQ	% YoY	9M24	9M25	% YoY
Operating Revenue	204	167	174	4.3%	-14.8%	579	518	-10.4%
Other income	7	6	6	3.6%	-15.0%	20	19	-5.5%
Gain on part disposal of a subsidiary	0	0	0	na	na	0	0	na
<b>Total operating income</b>	<b>211</b>	<b>173</b>	<b>180</b>	<b>4.2%</b>	<b>-14.8%</b>	<b>598</b>	<b>537</b>	<b>-10.3%</b>
Staff Costs	-50	-50	-45	-10.7%	-10.6%	-145	-141	-2.3%
Depreciation & Amortization	-9	-9	-9	-1.9%	-0.1%	-26	-27	4.0%
Other Operating Expenses	-37	-37	-40	7.0%	8.3%	-102	-114	11.5%
<b>Profit From Operations</b>	<b>116</b>	<b>76</b>	<b>86</b>	<b>13.5%</b>	<b>-25.2%</b>	<b>325</b>	<b>254</b>	<b>-21.8%</b>
Finance Costs	0	0	0	0.0%	0.0%	0	0	0.0%
<b>Profit Before Tax</b>	<b>115</b>	<b>76</b>	<b>86</b>	<b>13.5%</b>	<b>-25.2%</b>	<b>325</b>	<b>254</b>	<b>-21.9%</b>
Income Tax	-30	-19	-23	18.2%	-23.5%	-84	-66	-21.9%
Minority Interests	0	1	1	10.2%	32.5%	1	2	63.3%
<b>Net Profit After Tax and MI</b>	<b>86</b>	<b>57</b>	<b>64</b>	<b>11.9%</b>	<b>-25.5%</b>	<b>241</b>	<b>189</b>	<b>-21.5%</b>
<b>Normalized net profit</b>	<b>86</b>	<b>57</b>	<b>64</b>	<b>11.9%</b>	<b>-25.5%</b>	<b>241</b>	<b>189</b>	<b>-21.5%</b>
normalized EPS (sen)	10.6	7.1	7.9	11.1%	-25.6%	29.8	23.4	-21.5%
EBITDA margin	59.0%	49.5%	53.1%	7.3%	-10.0%	58.7%	52.4%	-10.7%
Pretax profit margin	54.6%	44.0%	48.0%	8.9%	-12.2%	54.3%	47.2%	-12.9%
Cost to income	45.3%	55.9%	52.0%	-7.0%	14.7%	45.7%	52.7%	15.3%
Normalized ROE	41.1%	30.0%	33.4%	3.4%	-7.7%	39.4%	31.2%	-20.8%
<b>Equity Market</b>								
Average daily trading value (RM bil) (OMT & DBT)	3.80	2.38	2.82	18.5%	-25.8%	3.63	2.67	-26.4%
Velocity (%)	43.0%	30.0%	33.0%	3.0%	-10.0%	42.0%	32.0%	-10.0%
Market capitalization (RM bil)	2044.6	1904.5	2016.0	5.9%	-1.4%	2,044.6	2,016.0	-1.4%
Effective clearing fee rate (bps)	2.40	2.50	2.41	-0.09	0.01	2.47	2.46	-0.01
<b>Derivatives Market</b>								
Average daily contracts traded (ADC) for all types of derivative contracts	90,600	91,818	90,747	-1.2%	0.2%	86,911	94,789	9.1%
ADC traded for FCPO	73,517	76,856	76,619	-0.3%	4.2%	70,708	79,569	12.5%
ADC traded for FKLI	16,362	13,813	13,057	-5.5%	-20.2%	15,652	14,199	-9.3%

Source: Company, AmInvestment Bank

## EXHIBIT 2: CHANGE IN EARNINGS

RM'Mil	FY25F			FY26F			FY27F		
	Previous	Revised	Chg	Previous	Revised	Chg	Previous	Revised	Chg
Earnings	282	261	-7.6%	298	285	-4.3%	338	325	-3.8%
Operating expenses	360	389	8.1%	358	376	4.9%	395	412	4.4%

Source: Company, AmInvestment Bank

### Company profile

Bursa Malaysia is a diversified exchange, earning primarily from securities and derivatives trading, with additional income from listing, issuer, depository, data, member connectivity, and conference fees. New ventures such as the Bursa Carbon Exchange, a gold dinar platform, and BR Capital have been introduced, though their earnings impact is expected to become significant only from late FY26 or FY27.

### Investment thesis and catalysts

We reiterate our HOLD call, valuing the stock at a FY26 forward PER of 22x. With the stock trading at 23.6x FY26 PE, upside appears capped, presenting a chance to lock in gains after its recent share price increase.

### Valuation methodology

We value the stock by PER, setting it one standard deviation below its 3-year average of 23x. Earnings projections for FY25–FY27 have been trimmed by 7.6% to 3.8% due to anticipated increases in operating costs. The 3-star ESG rating remains unchanged.

### Risk factors

Since securities trading revenue makes up a significant portion of the exchange's income, any fluctuations in the daily average trading value (DATV) and changes to the effective clearing fee rate will directly affect its earnings.

### EXHIBIT 3: VALUATIONS: BURSA MALAYSIA

Target PE(x)	22x
CY26 EPS	35.3 sen (from 36.9 sen)
ESG Premium	0% premium
12-month target price	RM7.60 (from RM7.70)

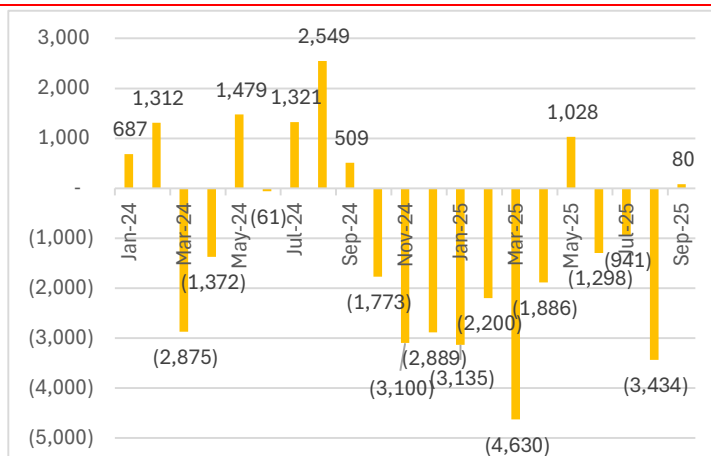
Source: AmlInvestment Bank

## EXHIBIT 4: SG SCORE

	Environmental assessment	Parameters	Weightage	Rating				Rationale
1	Scope 1 GHG Emissions to total revenue	t/Co2e/RM'Mil	25%	*	*			1.7 in 2024 vs. 4.1 in 2023
2	Scope 2 GHG Emissions to total revenue	t/Co2e/RM'Mil	25%	*	*	*		7.5 in 2024 vs. 10.4 in 2023
3	Scope 3 GHG Emissions to total revenue	t/Co2e/RM'Mil	25%	*	*	*		1.2 in 2024 vs. 1.5 in 2023
4	Electricity consumption to total revenue	MWh/RM'Mil	15%	*	*	*		9.86 in 2024 lower 2023's 13.7
5	Water consumption to total revenue	m3/RM'Mil	10%	*	*	*		0.05 in 2024 vs. 0.1 in 2023
	<b>Weighted score for environmental assessment</b>		<b>100%</b>	*	*	*		
	<b>Social assessment</b>							
1	Number of work-related fatalities	number	20%	*	*	*	*	Zero in 2024 and 2023
2	Total amount invested in the community where the target beneficiaries are external to the listed issuer	% of total revenue	25%	*	*	*		RM2.52mil or 0.3% of total revenue in 2024
3	Total number of beneficiaries of the investment in communities	number	20%	*	*	*		12,706 in 2024, An increase by 68.9% YoY
4	Percentage of women in global workforce	%	15%	*	*	*		48.31% in 2024
5	Number of employees trained on health and safety standards	number	20%	*	*	*		
	<b>Weighted score for social assessment</b>		<b>100%</b>	*	*	*		
	<b>Governance assessment</b>							
1	Board age diversity	% under the 61 to 70 years old category	20%	*	*	*		54.5% in 2024
2	Board women representation	% of total board directors	15%	*	*	*		36.3% representation in 2024 vs. 33.3% in 2023
3	Directors with tenure of more than 3 to 6 years	% in the 3 to 6 years or more category	15%	*	*	*		54.5% in 2024
4	Independent board directors	% of total board directors	20%	*	*	*	*	90.9% - independent non-exec in 2024
5	Remuneration to directors	% of staff cost	10%	*	*	*		
6	Cybersecurity, Privacy and Data Protection	Confirmed incidents	10%	*	*	*	*	No incidents in 2024 and 2023
7	Confirmed incidents of corruption and action taken	Confirmed incidents	10%	*	*	*	*	No incidents in 2024 and 2023
	<b>Weighted score for governance assessment</b>		<b>100%</b>	*	*	*		
	Environmental score		40%	*	*	*		
	Social score		25%	*	*	*		
	Governance score		35%	*	*	*		
	<b>Overall ESG Score</b>		<b>100%</b>	*	*	*		

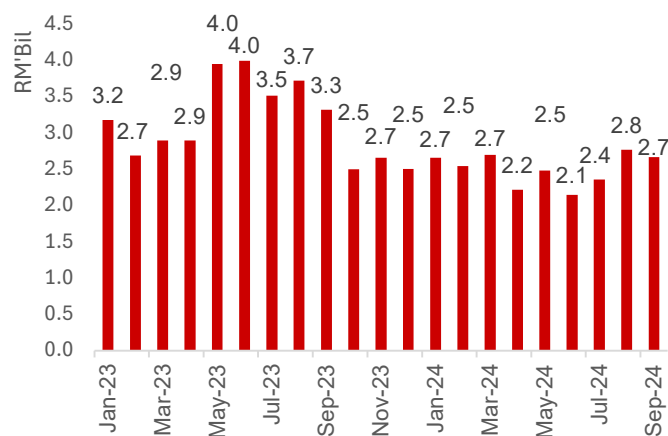
Source: Company, AmlInvestment Bank

## EXHIBIT 5: MONTHLY FOREIGN INFLOW / OUTFLOW TO SECURITIES MARKET



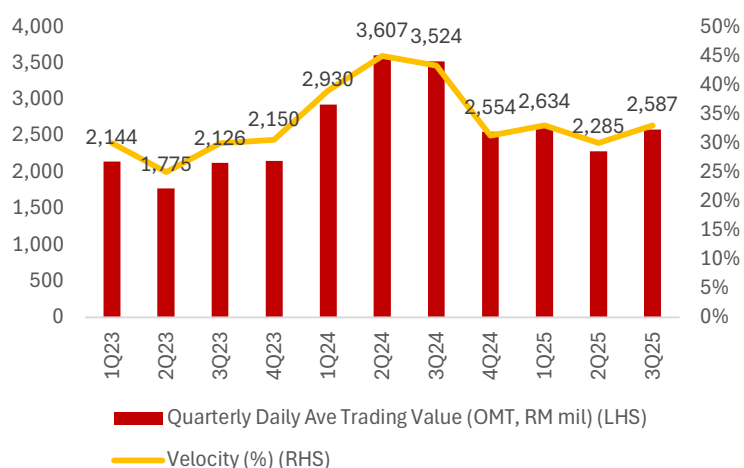
Source: Company, AmlInvestment Bank

## EXHIBIT 6: MONTHLY ADV TRADED FOR SECURITIES MARKET



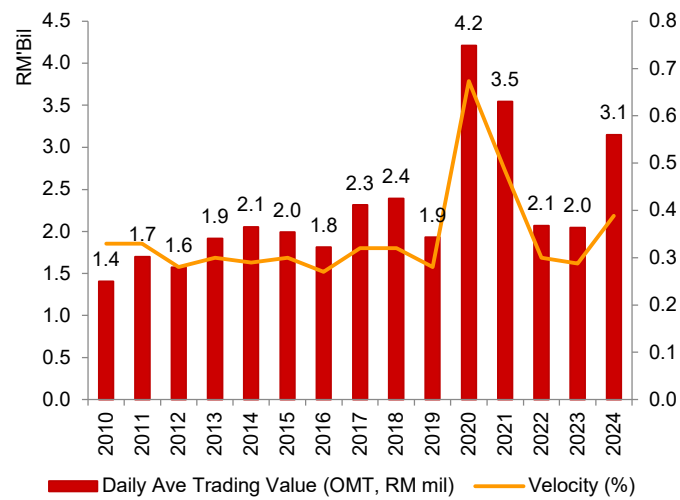
Source: Company, AmlInvestment Bank

## EXHIBIT 7: QUARTERLY ADV TRADED AND VELOCITY FOR SECURITIES MARKET



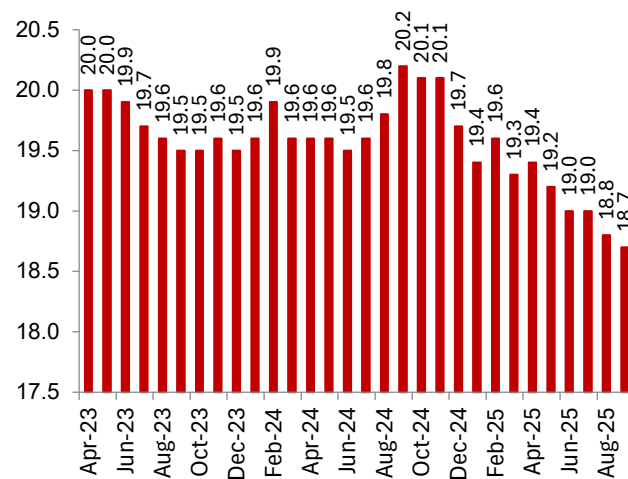
Source: Company, AmlInvestment Bank

EXHIBIT 8: YEARLY ADV TRADED AND VELOCITY FOR SECURITIES MARKET



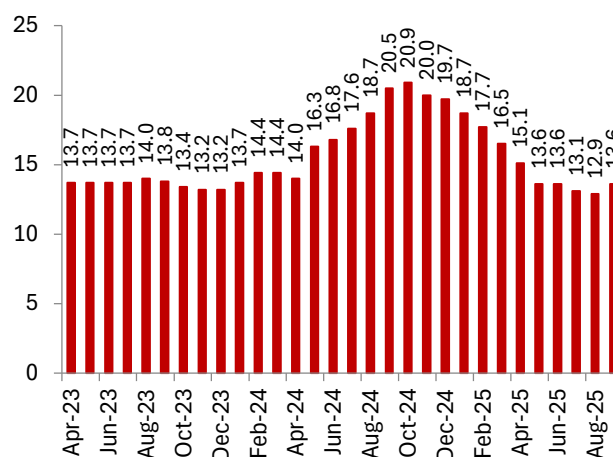
Source: Company, AmlInvestment Bank

EXHIBIT 9: SECURITIES MARKET FOREIGN OWNERSHIP (%)



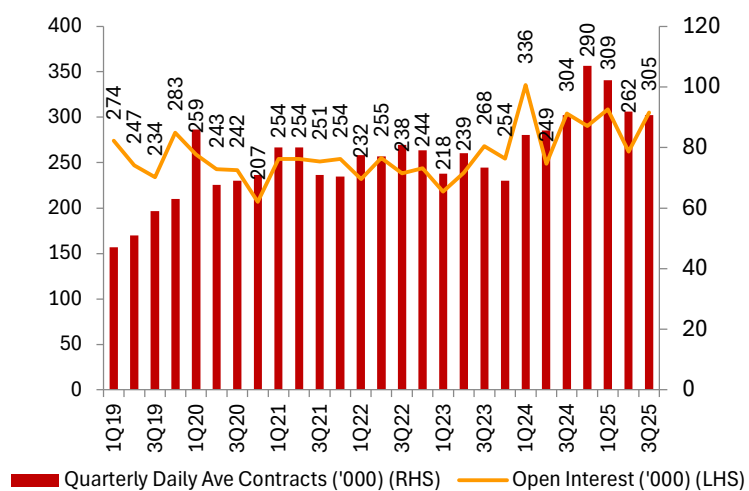
Source: Company, AmlInvestment Bank

EXHIBIT 10: BURSA MALAYSIA FOREIGN OWNERSHIP (%)



Source: Company, AmInvestment Bank

EXHIBIT 11: DERIVATIVES MARKET: QUARTERLY ADC AND OPEN INTEREST



Source: Company, AmInvestment Bank

## EXHIBIT 12: FINANCIAL DATA

Income Statement (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	616.5	784.3	742.0	761.4	851.8
EBITDA	355.3	446.3	390.1	423.6	481.9
Depreciation/Amortisation	(33.3)	(35.4)	(37.1)	(38.1)	(42.6)
Operating income (EBIT)	322.0	410.9	353.0	385.5	439.3
Other income & associates	-	-	-	-	-
Net interest	-	-	-	-	-
Exceptional items	-	-	-	-	-
<b>Pretax profit</b>	<b>322.0</b>	<b>410.9</b>	<b>353.0</b>	<b>385.5</b>	<b>439.3</b>
Taxation	(70.0)	(101.7)	(91.7)	(100.1)	(114.1)
Minorities/pref dividends	0.9	1.5	-	-	-
<b>Net profit</b>	<b>252.9</b>	<b>310.7</b>	<b>261.4</b>	<b>285.4</b>	<b>325.2</b>
Core net profit	223.2	310.7	261.4	285.4	325.2
Balance Sheet (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Fixed assets	251.8	245.1	242.3	237.6	237.6
Intangible assets	43.0	43.0	43.0	43.0	43.0
Other long-term assets	87.4	96.8	104.3	112.4	112.4
<b>Total non-current assets</b>	<b>382.2</b>	<b>384.8</b>	<b>389.5</b>	<b>393.0</b>	<b>393.0</b>
Cash & equivalent	423.9	496.2	284.4	651.4	1,395.9
Stock	-	-	-	-	-
Trade debtors	59.6	66.8	66.8	66.8	66.8
Other current assets	2,416.3	3,407.6	3,560.3	3,310.1	2,657.6
<b>Total current assets</b>	<b>2,899.8</b>	<b>3,970.6</b>	<b>3,911.5</b>	<b>4,028.3</b>	<b>4,120.3</b>
Trade creditors	2,218.6	3,210.0	3,210.0	3,210.0	3,210.0
Short-term borrowings	-	-	-	-	-
Other current liabilities	215.9	242.0	160.2	260.5	329.8
<b>Total current liabilities</b>	<b>2,434.5</b>	<b>3,452.0</b>	<b>3,370.2</b>	<b>3,470.5</b>	<b>3,539.8</b>
Long-term borrowings	-	-	-	-	-
Other long-term liabilities	22.8	27.1	38.8	38.8	38.8
<b>Total long-term liabilities</b>	<b>22.8</b>	<b>27.1</b>	<b>38.8</b>	<b>38.8</b>	<b>38.8</b>
<b>Shareholders' funds</b>	<b>823.1</b>	<b>873.8</b>	<b>892.1</b>	<b>912.0</b>	<b>934.8</b>
Minority interests	1.6	2.5	-	-	-
BV/share (RM)	1.02	1.08	1.10	1.13	1.16
Cash Flow (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Pretax profit	322.0	410.9	353.0	385.5	439.3
Depreciation/Amortisation	33.3	35.4	37.1	38.1	42.6
Net change in working capital	(9.4)	(12.7)	-	-	-
Others	(108.1)	(87.2)	(365.7)	197.9	553.9
<b>Cash flow from operations</b>	<b>237.8</b>	<b>346.4</b>	<b>24.5</b>	<b>621.5</b>	<b>1,035.8</b>
Capital expenditure	(25.9)	(0.5)	(5.0)	-	(5.4)
Net investments & sale of fixed assets	(6.5)	6.8	2.8	1.0	6.7
Others	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(32.4)</b>	<b>6.2</b>	<b>(2.2)</b>	<b>1.0</b>	<b>1.3</b>
Debt raised/(repaid)	-	-	-	-	-
Equity raised/(repaid)	-	-	-	-	-
Dividends paid	(234.7)	(288.4)	(242.6)	(264.9)	(302.0)
Others	7.0	8.0	9.0	10.0	11.0
<b>Cash flow from financing</b>	<b>(227.7)</b>	<b>(280.4)</b>	<b>(233.6)</b>	<b>(254.9)</b>	<b>(291.0)</b>
<b>Net cash flow</b>	<b>(22.3)</b>	<b>72.2</b>	<b>(211.4)</b>	<b>367.5</b>	<b>746.1</b>
<b>Net cash/(debt) b/f</b>	<b>446.7</b>	<b>423.9</b>	<b>495.5</b>	<b>283.6</b>	<b>648.9</b>
<b>Net cash/(debt) c/f</b>	<b>424.4</b>	<b>496.1</b>	<b>284.2</b>	<b>651.2</b>	<b>1,395.0</b>
Key Ratios (YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Revenue growth (%)	2.2	27.2	(5.4)	2.6	11.9
EBITDA growth (%)	5.3	25.6	(12.6)	8.6	13.8
Pretax margin (%)	52.2	52.4	47.6	50.6	51.6
Net profit margin (%)	41.0	39.6	35.2	37.5	38.2
Interest cover (x)	nm	nm	nm	nm	nm
Effective tax rate (%)	21.7	24.8	26.0	26.0	26.0
Dividend payout (%)	92.8	92.8	92.8	92.8	92.8
Debtors turnover (days)	32	29	33	32	29
Stock turnover (days)	-	-	-	-	-
Creditors turnover (days)	1,602	1,263	1,579	1,539	1,376

Source: Company, AmlInvestment Bank Bhd estimates



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