



HI MOBILITY

(HI MK EQUITY, HI.KL)

05 Nov 2025

Cross-mobility fuels 20% earnings growth, new engines to drive further upside. Initiate with a BUY, TP: RM3.

BUY

(Maintained)

Company Report

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Rationale for report: Initiation

Price	RM2.41
Fair Value	RM3.00
52-week High/Low	RM2.88/RM1.20

Key Changes

Fair value	↔
EPS	↔

YE to Jan	FY25	FY26F	FY27F	FY28F
Revenue (RM mil)	279.8	317.4	351.7	365.6
Core net profit (RM mil)	43.8	51.5	69.7	76.1
FD Core EPS (sen)	8.8	10.3	13.9	15.2
FD Core EPS growth (%)	31.9	17.6	35.4	9.2
Consensus Net Profit (RM mil)	-	53.2	65.2	79.2
DPS (sen)	2.2	3.9	4.9	5.3
PE (x)	27.5	23.4	17.3	15.8
EV/EBITDA (x)	16.0	11.8	9.2	8.3
Div yield (%)	0.9	1.6	2.0	2.1
ROE (%)	43.3	25.2	23.2	21.9
Net Gearing (%)	56.4	nm	nm	nm

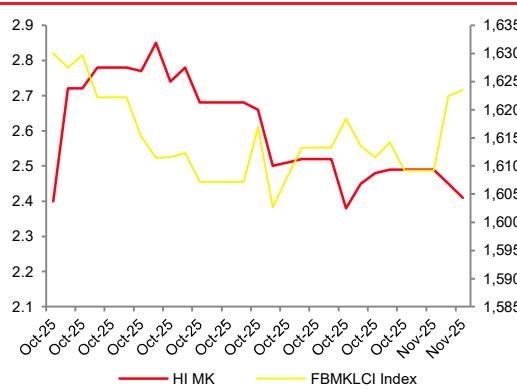
Stock and Financial Data

Shares Outstanding (million)	500.0
Market Cap (RMmil)	1,205.0
Book Value (RM/Share)	1.31
P/BV (x)	1.8
ROE (%)	43.3
Net Gearing (%)	56.4

Major Shareholders	Bumi Mampan (7.8%)
	Sun Life Financial Inc (0.1%)
	Russell Investments Group (0.0%)

Free Float	92.1
Avg Daily Value (RMmil)	6.1

Price performance	3mth	6mth	12mth
Absolute (%)	16.4	85.4	-
Relative (%)	9.5	76.1	-



Investment Implication

Why Now?

1. Structural Upswing in Cross-Border Travel

Daily Johor–Singapore commuter volumes are rebounding strongly, surpassing pre-pandemic levels. With the RTS Link completion expected by 2027, it will unlock an addressable market of RM177mil, enabling faster turnaround, higher utilisation (80%), and scalable revenue growth of 9% p.a., supported by its affordable pricing advantage (60–80% cheaper than rail and private transport).

2. Defensive Intracity Base and Contract Visibility

Intracity operations (35% of group revenue) provide stable, contract-backed earnings under the SBST Gross-Cost Model, where fare and ridership risks are borne by the government. The RM266mil unbilled order book secures 1-1.5 years of revenue visibility through 2029, anchoring predictable cash flow and funding expansion into new states such as Sabah.

3. Vertical Integration and Digital Mobility Ecosystem

We do not rule out the planned entry into EV ops and vertical expansion into bus-related operations in the future, for it would transform HiMob into an integrated OEM-operator, enhancing cost efficiency and supply-chain control. The venture could further add decent earnings uplift in our view. Together with its ManjaLink and ManjaSIM platforms, HiMob is building Malaysia's first end-to-end mobility ecosystem aligned with the NETR's EV and smart-mobility agenda, underpinned by a strong 0.1x net gearing and RM116mil IPO proceeds for growth.

Strategic Differentiation that makes HiMob a league of its own: -

- 1. Exclusive Cross-Border Leadership with Singapore Connectivity** – HiMob is Malaysia's only licensed operator for Johor Bahru–Singapore routes, running 150 buses across six pick-up points. Cross-border ridership rebounded strongly post-pandemic from 0.1mil in FY22 to 22mil in FY25. This drove 245% CAGR in cross-border revenue, rising from RM4mil to RM165mil over the same period.
- 2. Market Dominance in Johor and Strategic Regional Anchor** - Dominant in Johor's mobility network, covering Iskandar Puteri, Kulai, Mersing, and Pengerang. Backed by government partnerships and 23 years of operating experience, the group enjoys strong renewal visibility and a solid base for regional expansion.
- 3. Strong Asset Base & Digital Infrastructure** - Operates 745 buses (682 diesel, 63 electric) with four depots and a central OCC. Equipped with GPS, telematics, and driver-monitoring systems, ensuring >95% service reliability and forming high entry barriers through integrated digital operations.

Financial Upside

We project a 3-year earnings CAGR of 20% (FY25–28F), driven by expanding cross-border ridership, recurring intracity contract. Post-listing, the group's RM116mil proceeds and 0.1x net gearing provide capacity to fund growth initiatives without diluting returns.

Conclusion

HiMob represents a rare blend of defensive earnings visibility and scalable growth optionality within Malaysia's evolving mobility ecosystem. As the leading cross-border and intracity bus operator, its structural exposure to the Johor-Singapore corridor, government-backed contracts, and the planned vertical integration into EV and bus-related ops in the future makes it a compelling MaaS leader. Backed by policy alignment under NETR and Visit Malaysia 2026, we initiate with a BUY and a TP of RM3.00, pegged to 20x PE in line with listed public transport and mobility-as-a-service peers' average, offering a 24% upside.

Valuation Approach

We value HiMob using a forward P/E based approach, benchmarked against a blended set of Public Transport and Mobility-as-a-service (Maas) peers that share similar ridership-driven models and scalability characteristics.

The selected peer group trades at a 1-year forward P/E average of 20x, reflecting strong medium-term earnings visibility and structural passenger growth post-pandemic across Southeast Asia and global mobility markets.

Applying 20x PE multiple to FY28F earnings yields target price of RM3.00/share, implying 24% upside from current levels.

The valuation premium relative to traditional operators such as Perak Transit (5x) and Kelsian (14x) is justified by HiMob's dual exposure to both regulated intracity contracts and scalable cross-border operations, which collectively support a projected 20% earnings CAGR (FY25–28F).

Its superior 3-year average EBITDA margin (30% vs. peer average 21%), higher net profit margin (16% vs. 12%), low 0.1x net gearing, we believe the average multiple is appropriate and not aggressive.

At the same time, the group trades below asset-light mobility platforms such as Grab (63x PE), DiDi Global (25x PE) and Uber (23x PE), suggesting rerating potential as its digital ecosystem scales and the planned assembly venture materialises. Its conservative balance sheet (0.1x net gearing) and consistent dividend record reinforce financial flexibility to fund future expansion, while delivering returns to shareholders.

Drawing comparison to Bursa Malaysia KL Transportation Index (KLTRAN), the assigned 20x PE sits at the upper trading band (avg. 17.6x; +1SD 19.5x), signaling room for re-rating as HiMob's execution milestones unfold.

While the broader sector has derated amid soft freight rate and cost pressures, HiMob's contract-backed cash flows and structural growth drivers support valuation resilience and justify premium positioning within the range.

We see HiMob as a structural rerating candidate within Malaysia's transport sector, offering a rare blend of defensive earnings visibility from government-backed contracts, scalable cross-border growth and further upside from EV assembly ventures and digital integration as execution progresses.

EXHIBIT 1: VALUATIONS

Target PE (x)	20
FY28F EPS	15.2
ESG premium	-
12-month target price	RM3.00

*may not add up due to rounding

Source: AmlInvestment Bank

EXHIBIT 2: PEER COMPARISONS

Name	Ticker	Mkt Cap (RM b)	Enterprise Value (RM b)	1 Year Forward				3 Year Average		3 Year CAGR		Net gearing*	Div. Payout*
				PE	EV/EBITDA	PB	Div Yld	EBITDA Margin	Net Profit Margin	EBITDA	Net Profit		
Hi Mobility Bhd	HI MK	1.2	1.3	20	13.5	4.7	1.5%	30%	16%	19%	20%	0.1x	38%
Public Transport													
Perak Transit Bhd	PERAK MK	0.5	0.9	5	6.4	55.7	6.6%	62%	37%	5%	5%	0.7x	36%
Kelsian Group Ltd	KLS AU	3.6	6.1	14	7.1	1.4	4.0%	14%	4%	6%	12%	0.9x	58%
ComfortDelGro Corp Ltd	CD SP	10.4	14.5	13	5.4	1.1	6.1%	16%	5%	8%	10%	0.2x	79%
Mobility-as-a-service												0.0x	
Didi Global Inc	DIDIY US	126.0	100.8	25	13.8	2.1	-	7%	4%	41%	49%	-0.4x	-
Lyft Inc	LYFT US	35.2	30.7	17	11.0	9.3	-	10%	8%	31%	23%	-1.1x	-
Grab Holdings Ltd	GRAB US	104.7	82.7	65	29.1	3.6	-	21%	10%	48%	>100%	-0.8x	-
Uber Technologies Inc	UBER US	844.7	865.1	24	19.3	6.6	-	20%	14%	28%	29%	0.1x	-
Adi Sarana Armada Tbk PT	ASSA IJ	1.0	2.1	9	8.1	-	-	17%	7%	6%	18%	1.2x	-
Blue Bird Tbk PT	BIRD IJ	1.1	1.3	6	3.4	0.7	7.6%	24%	12%	13%	18%	3.0x	45%
Simple Average				20	11.7	9.5	2.9%	22%	12%	21%	20%	0.4x	51%

*As at July 2025

Source: Bloomberg, AmlInvestment Bank

EXHIBIT 3: 5-YEAR KLTRAN INDEX PE



EXHIBIT 4: REVENUE FORECAST

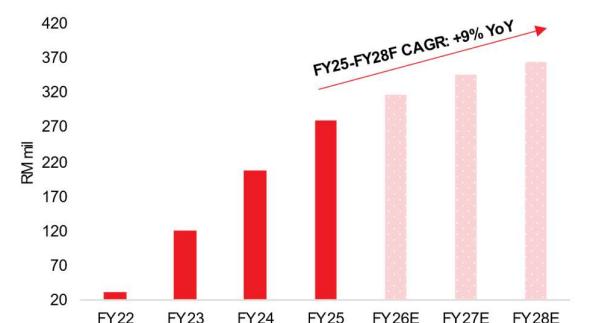


EXHIBIT 5: EARNINGS FORECAST

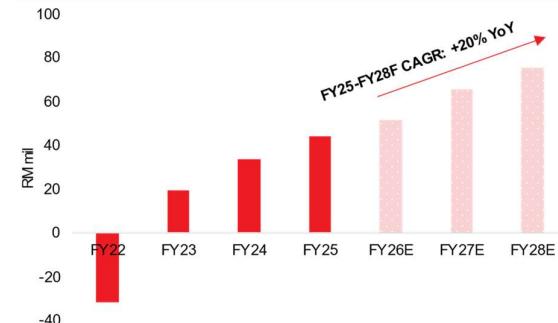


EXHIBIT 6: EBITDA & EBITDA MARGIN TREND

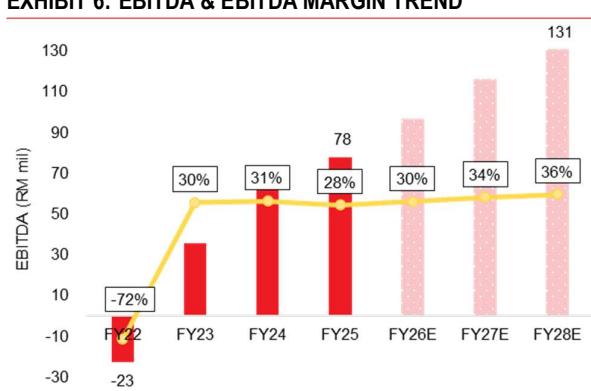
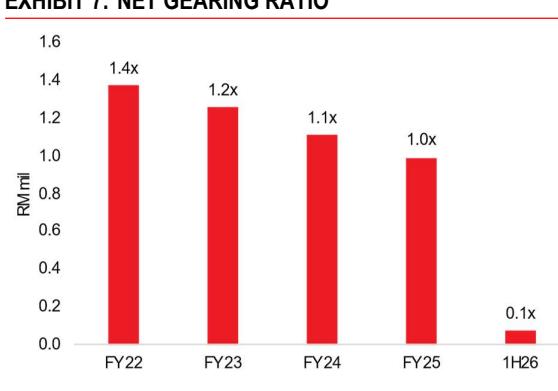


EXHIBIT 7: NET GEARING RATIO



Risk Assessment

Sustainability of Growth. The group's 157% revenue CAGR (FY2022–FY2024) highlights its strong post-pandemic recovery and execution strength. However, future growth may moderate, as performance remains sensitive to macroeconomic conditions, competition, regulatory shifts, and operational execution.

For HiMob, growth is increasingly supported by structural increases in bus ridership, driven by improved fleet efficiency, new SBST contracts and digital ecosystem monetization, which reduce reliance on cyclical recovery dynamics.

Contract Renewal Risk. SBST and Rapid Bus contracts are fixed term (approx. 5 yrs) with no automatic renewal, making HiMob reliant on APAD's re-appointment. While incumbents with strong performance are often retained, any lapse or delay could cause a temporary revenue gap.

Renewal risk is mitigated by HiMob's long-standing operating history and entrenched presence within the SBST ecosystem, particularly in Johor and Melaka where it has been a consistent government partner since the early SBST pilot phase. Ongoing federal funding for SBST expansion also supports continuity for established operators.

Dependence on Key Personnel. The company's success depends on the experience and leadership of its Executive Director and senior management, including CEO Lim Chern Chuen. The unexpected departure or loss of any key individual without timely replacement could disrupt strategy, operations, and future growth.

The group has begun building a deeper management bench, implementing succession planning, and enhancing governance structures to reduce dependency on specific individuals.

Competition and Substitution Risks. HiMob faces competition from other bus operators and alternative transport modes, including rail, taxis, and e-hailing services. The upcoming Johor Bahru–Singapore RTS Link could divert some commuters to rail, potentially reducing cross-border bus demand and pressuring margins through fare competition.

While the RTS Link may divert some commuters, HiMob's Causeway Link remains the preferred choice for price-sensitive daily cross-border travelers who value direct access to their destinations. Its lower fare and first- and last-mile connectivity make it especially attractive to frequent users. HiMob leverages route exclusivity, strong service reliability, and cost competitiveness to sustain ridership and protect margins.

Macroeconomic and Regulatory Exposure. The group's operations are subject to economic, political, and regulatory risks in Malaysia and Singapore. Adverse developments—such as changes in government policies, geopolitical instability, or stricter environmental regulations (for example, Singapore's tightening of diesel-emission standards from 2026)—could raise compliance costs and affect fleet operations.

HiMob mitigates regulatory and macro risks through government-backed gross-cost contracts, which ensure cost pass-through and earnings stability, while its planned EV and CKD bus assembly supports early compliance with emission standards and lowers long-term fleet costs.

Thesis 1: Cross-Border Catalysts: RTS Link to Boost Ridership Growth***Cross-border mobility revenue to grow 9% YoY from FY25 to FY28F.***

We estimate cross-border revenue to rise at FY25–FY28F CAGR of 9% underpinning group 3-year CAGR earnings growth of 20% and driving margin expansion from 28% in FY25 to 36% in FY28F as fleet productivity improves.

HiMob's leadership in cross-border transport, combined with the upcoming RTS Link, positions it to benefit from a structural uplift in mobility demand between Johor and Singapore. The RTS Link is expected to increase overall cross-border commuter volumes by improving accessibility and reducing congestion.

The Johor Bahru-Singapore Rapid Transit System (RTS) Link, slated for completion in 2027, is a structural game-changer designed to move up to 10k passengers per hour per direction (approx. 150k passengers daily). This will materially ease congestion at the Johor-Singapore Causeway, which currently handles over 400k daily crossings.

Although HiMob is not formally integrated into the RTS system, its first- and last-mile coverage, affordable fares (RM4.80/trip vs. RM11.00 rail), and route exclusivity make it well-placed to capture spillover demand from commuters seeking flexible, cost-effective alternatives.

This structural uplift is further supported by macro tailwinds: Singaporean arrivals into Malaysia have surpassed pre-pandemic levels, with 28.2mil visitors in Jan–Aug 2025 vs. 24.3mil in the same period of 2019. Importantly, excursionists — short-trip, same-day travellers who constitute HiMob's core commuter base — surged +31% YoY to 7.9mil in 8M 2025, far exceeding the pre-Covid benchmark of 4.7mil.

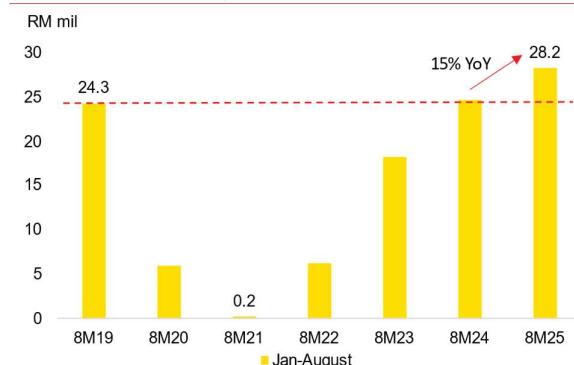
For HiMob, this translates to higher bus productivity, shorter turnaround cycles (15%-25%) and incremental revenue from more rotations per day using the same fleet base. Complementing this, the Tuas Second Link upgrade and smoother customs clearance will further enhance throughput reliability.

The commuter segment, which made up largely daily excursionist traveling is highly price-sensitive and recurring. This favours HiMob's affordable bus fare RM4.80/trip from Johor to Singapore (vs. est RM11.00 by rail), making it preferred mode for frequent cross-border travel. At the same time, the SGD/MYR exchange rate averaging 3.20-3.50 sustains Malaysia's cost competitiveness, encouraging Singaporeans to spend in Johor while keeping Malaysian workers employed across the border.

Altogether, these structural and macro tailwinds point to uplift in cross-border transport demand, with HiMob positioned to capture the majority share through route exclusivity, operational scale, and brand trust.

EXHIBIT 8: JB-SINGAPORE RTS LINK

Source: Tourism Malaysia, Amlnvestment Bank

EXHIBIT 10: SINGAPORE VISITORS TO MALAYSIA (JAN-AUG, 2019–2025)

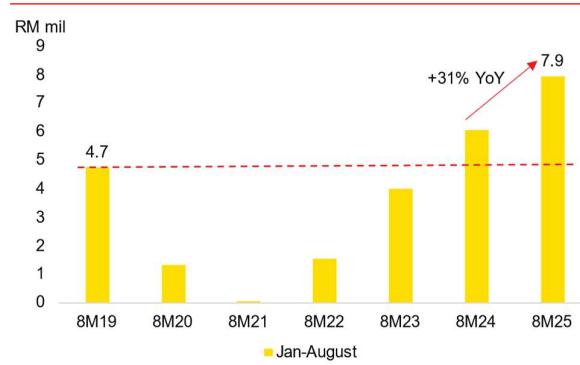
Source: Tourism Malaysia, Amlnvestment Bank

EXHIBIT 9: TRAVEL TIME AND PRICING

	Travel Time	Pricing
(peak / off peak)	1 hour	RTS : *RM 4 / \$4 MRT : RM 7.52 / \$2.28 Total: RM11.52 / \$6.28
(off peak)	45 mins	RM 4.80 / \$4.80
(peak)	1.5 hour	RM 4.80 / \$4.80

Comparative end-to-end travel experience between Johor Bahru and Central Singapore (Bugis)

Source: Company, Amlnvestment Bank

EXHIBIT 11: SINGAPORE EXCURSIONISTS TO MALAYSIA (JAN-AUG, 2019–2025)

Source: Tourism Malaysia, Amlnvestment Bank

Thesis 2: Intracity Expansion: Stable, Contract-Backed Growth.

Intracity ops to deliver 8% YoY topline growth in FY25-FY28F

HiMob's intracity segment, which contributes 35% of group revenue, is a cornerstone of earnings stability. We forecast 8% annual topline growth over FY25–FY28F, underpinned by long-term contracts and government-backed models. The segment operates under the SBST Gross-Cost Model, where the government assumes fare and ridership risks, ensuring predictable cash flows and margin resilience.

As of YTD, HiMob holds an unbilled order book of RM266mil, complemented by an assumed RM72mil in annual contract wins. This provides 1 to 1.5 years of revenue coverage, with contract visibility extending to 2029, reinforcing earnings certainty. Such visibility enables HiMob to reinvest confidently into network expansion in Sabah, supporting its strategic growth agenda.

The planned expansion into Sabah's SBST network further diversifies geographic exposure beyond Johor and Melaka. Currently, initial Kota Kinabalu rollout is confirmed, and future phases planned for Sandakan and Tawau, reinforcing network resilience and providing a scalable platform for future nationwide rollouts. With operations broadening into additional states, the intracity business is positioned to sustain a 3-year revenue CAGR of 8%, forming a stable foundation beneath the more structurally growth-driven cross-border segment.

EXHIBIT 12: INTRA CITY ORDERBOOK AS AT JULY 2025

Description	Contract Period	As of 31 July 2025	
		New contract secured (From Feb) RM mil	Total contract value RM mil
Government Contract Services			
Stage Bus Operation (SBST) in Johor Bahru	Mar 2022 to Mar 2027 [*]	134.9	282.5
Stage Bus Operation (SBST) in Melaka	May 2024 to Apr 2029	-	83.8
Operation of 'Bas Muafakat Johor' in Johor Bahru, Iskandar Puteri, Kulai and Mersing	Sep 2019 to Dec 2025 [*]	6.9	58.3
Operation of 'Bas Muafakat Johor' in Pengerang	May 2020 to Dec 2025 [*]	0.8	7.5
Rapid Bus Route Outsourcing Program	Jun 2024 to Mar 2027	-	83.5
Operation of 'Smart Selangor' bus services in Sepang	Mar 2021 to Apr 2027 [*]	1.9	12.0
Operation of 'Bas Muafakat Johor' in HIS & HAS	1 May 2025 tp 31 Dec 2025	0.5	0.5
Total		145.0	528.1

Source: Company

EXHIBIT 13: INTRA CITY ORDERBOOK AS AT JULY 2025

Initiative	Budget 2026 alignment
Stage Bus Services Transformation (SBST)	RM197mil allocated to improve stage-bus services, add new routes and expand Johor Bahru operations ahead of RTS Link
My50 / MyCity Pass Subsidy	Government confirmed continuation of fare-subsidy passes (My50 and MyCity) to keep public-transport fares affordable.
Electric Bus Fleet Transition Fund	Prasarana to procure 1,450 electric buses and 300 vans by 2030 to modernise fleets under RM12 billion "Mobility Boost".
Public Transport Infrastructure Maintenance Fund (PTIMF)	RM200mil under "Mobility Boost" for upgrading depots, terminals, and bus stops nationwide.
Integrated Transport Data Hub (ITDH)	MOT to enhance transport digitalisation and data systems for safer, smarter mobility management.
Green Mobility Corridors / Hydrogen Bus Pilots	Government prioritises switch to low-carbon transport, including hydrogen and EV bus pilots.

Source: Budget 2026, AmlInvestment Bank

Thesis 3: Vertical & Digital Mobility Ecosystem***New growth engine to lift FY27F going forward***

We do not rule out HiMob's strategic move into EV ops and vertical expansion into bus-related operations in the future. It would mark a pivotal evolution from a pure fleet operator into an integrated OEM-operator platform.

By localising bus production in Johor, we estimate the Group can reduce acquisition costs by 15–25% through import-duty elimination, logistics optimisation, and increasing localisation of key components. This enables more cost-efficient fleet renewal and shorter replacement cycles, while strengthening supply security, a structural advantage against competitors reliant on imports.

Malaysia currently lacks a major southern bus assembly hub, implying a first-mover opportunity to dominate a regionally strategic manufacturing corridor supported by skilled labour and Singapore port access, which alone creates a 10–15% logistics savings for exports.

The addressable market is substantial: Malaysia has >13k public and express buses, with an average age exceeding a decade, pointing to an imminent replacement cycle.

Additionally, retrofitting older diesel fleets to electric powertrains, typically costing RM500k per unit, or 60% less than buying new EV buses — opens a secondary market for conversion services. Over time, the CKD division is positioned to evolve into a third-party manufacturing and retrofitting hub serving municipal councils and private operators across southern Malaysia, while also supporting HiMob's own expanding fleet.

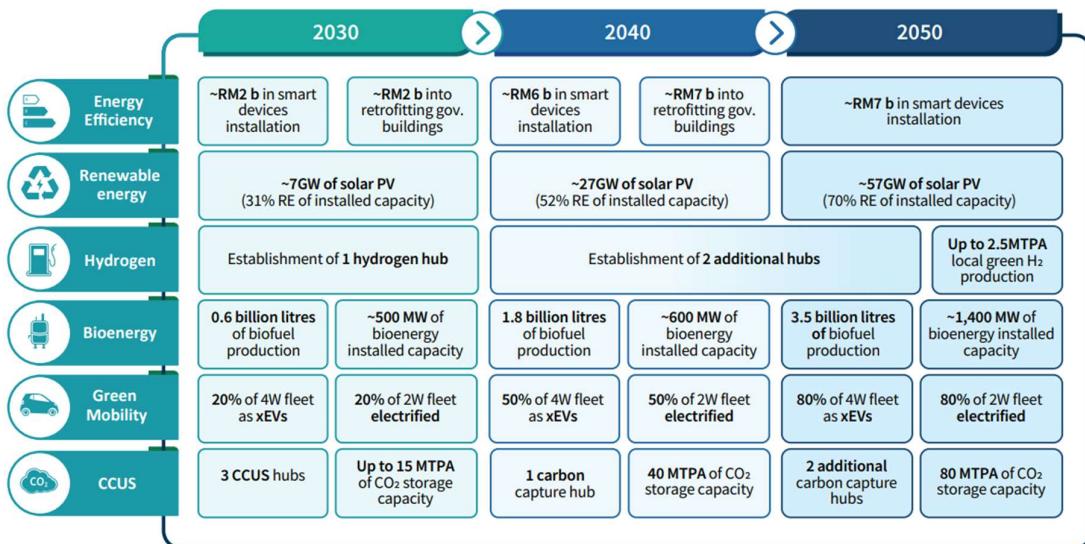
This vertical integration is strongly aligned with government policy tailwinds. Under the National Energy Transition Roadmap (NETR) and Low Carbon Mobility Blueprint (LCMB), Malaysia targets 50% electrification of public bus fleets and 10k chargers by 2025, alongside EV incentives such as Investment Tax Allowance (ITA) and GTFS 3.0 green financing of up to RM100mil per project.

Malaysia's Industrial Master Plan 2030 further aims to raise local EV value-add from 20% to 45%, directly validating HiMob's localisation strategy. By aligning capital deployment to policy-supported EV infrastructure, the Group enhances IRR, improves cost competitiveness, and positions itself to attract sustainability-driven institutional investors.

Collectively, this could potentially strengthen HiMob's cost base, unlock new revenue streams from manufacturing and leasing, and secure long-term positioning as a leader in Malaysia's electrified public transport ecosystem.

Complemented by its digital platforms (ManjaLink and ManjaSIM), HiMob integrates hardware, data and connectivity to form Malaysia's first end-to-end mobility platform, aligned with the NETR's EV and smart-mobility agenda.

EXHIBIT 14: MALAYSIA'S NETR: SECTORAL DECARBONISATION MILESTONES TO 2050



Source: National Energy Transition Roadmap (NETR)

EXHIBIT 15: GREEN MOBILITY MODALITIES

Energy Transition Levers	Flagship	Modalities		Champion
		Future Mobility		
Green mobility	Future Mobility	EV Charging Stations Installation of 10,000 EV charging stations by 2025 along highways and at selected commercial buildings in collaboration with strategic partners, among others, TNB, Plus Malaysia Berhad (PLUS), Permodalan Nasional Berhad (PNB), Gentari and Sunway Group.		MITI
		Mobile Hydrogen Refuelling Station Introduction of the first mobile hydrogen refuelling station for transportation in Peninsular Malaysia, in collaboration with NanoMalaysia Berhad, PETRONAS, United Motor Works (UMW) and the MGT.		MOSTI
		Public Transport Electrification This project involves electrification of first and last mile public transport and upgrading infrastructure and electrical lines at bus depots for charging, with maintenance, repair and overhaul (MRO) opportunities for local SMEs.		MOT Prasarana

Source: National Energy Transition Roadmap (NETR)

EXHIBIT 16: ENERGY TRANSITION LEVER: GREEN MOBILITY (LIGHT VEHICLE)

Energy Transition Lever: Green Mobility (Land Transport – Light Vehicle)		
Code	Initiatives	Champions
GM-LV1	Drive public transport modal share shift to 40% by 2040 and 60% by 2050 <ul style="list-style-type: none"> ○ Financially support the ongoing or future buildout of public transport infrastructure to facilitate modal share shifts ○ Facilitate electrification of public transport 	MOT
GM-LV2	Improve light vehicle fuel economy <ul style="list-style-type: none"> ○ Establish robust methodology to measure fuel economy ○ Strengthen fiscal policy measures based on fuel economy ○ Determine long-term fuel standards 	MOT
GM-LV3	Accelerate electrification of light vehicles segment (E4W) <ul style="list-style-type: none"> ○ Incentivise investments to build local manufacturing capacity and capability ○ Continue co-funding of public charging infrastructure ○ Implement stringent emissions standards to limit non-EEV manufacturing ○ Expand product awareness and model availabilities of EVs ○ Identify key localisation opportunities in EVs ○ Reduce regulatory challenges in ramping up EV adoption including for setting up of charging infrastructure (e.g., right-to-charge regulation, approval process for charge point operator license, review of Uniform Building By-Laws) 	MITI
GM-LV4	Accelerate electrification of light vehicles segment (E2W) <ul style="list-style-type: none"> ○ Incentivise E2W purchase or leasing cost to expedite total cost of ownership parity with ICE 2W, targeting B40 household ○ Foster the expansion of E2W model availability through local manufacturing or support for foreign manufacturers' setup ○ Monitor E2W charging infrastructure development and establish battery charging standards for public and home charging 	MITI

Source: National Energy Transition Roadmap (NETR)

Appendix

Overview of bus industry

Bus services, classified as part of mass transit, are generally divided into scheduled and non-scheduled categories.

Scheduled Bus Services

Operate on fixed routes and timetables with designated stops, serving the general public. They include:

- Intracity (Stage Bus Services): Operate within cities, towns, or suburbs with multiple stops along predefined routes.
- Intercity (Express Bus Services): Provide long-distance connections between cities or towns, with limited or no intermediate stops.
- Cross-Border: Offer transportation between two countries.
- Shuttle: Run short-distance routes linking key points such as airports, hotels, parking areas, and shopping centers.
- Feeder: Connect passengers to other modes of transport, such as rail networks or major bus terminals.

Non-Scheduled Bus Services

Operate with flexible routes and schedules, typically catering to specific groups or purposes. Examples include:

- Chartered: Privately hired coaches transporting groups to destinations of their choice.
- Employee: Services arranged by companies or in partnership with operators for staff commuting.
- School: Dedicated buses for students and school staff.
- Tourism: Operated by travel agencies for sightseeing tours and leisure travel.

EXHIBIT 17: TYPES OF BUS SERVICES

Scheduled	Non Scheduled
Intracity	Chartered
Intercity	Employee
Cross-border	School
Shuttle	Tourism
Feeder	

**Yellow highlight: Hi Mobility provides these services*

Source: Company

Bus service operating models: Transition from net cost to gross cost model

Under the Net Cost Model, operators bear revenue and ridership risks, fare collections belong to the operator, who must cover operating costs and profit from efficiency or higher ridership. This exposes earnings to demand volatility and fare adjustments.

In contrast, the Gross Cost Model shifts revenue and ridership risks to the government. Operators receive fixed contract payments based on service kilometres or routes, ensuring predictable income and stable margins regardless of passenger volume. This model enhances financial visibility and service reliability, aligning with Malaysia's Stage Bus Service Transformation (SBST) framework.

Malaysia's shift from the Net Cost Model to the Gross Cost Model under the Stage Bus Service Transformation (SBST) aims to stabilise the public transport ecosystem.

The new model reduces financial risk for operators, ensuring consistent service delivery even in low-demand areas, while allowing the government to control fares and improve route coverage.

This framework promotes predictable earnings, better service reliability, and sustainable public transport operations, a key to attracting private investment and supporting long-term mobility planning.

EXHIBIT 18: NET COST MODEL

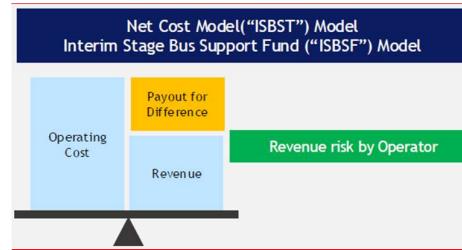


EXHIBIT 19: GROSS COST MODEL

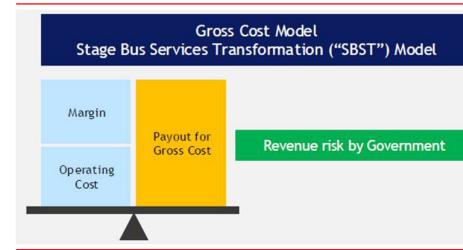
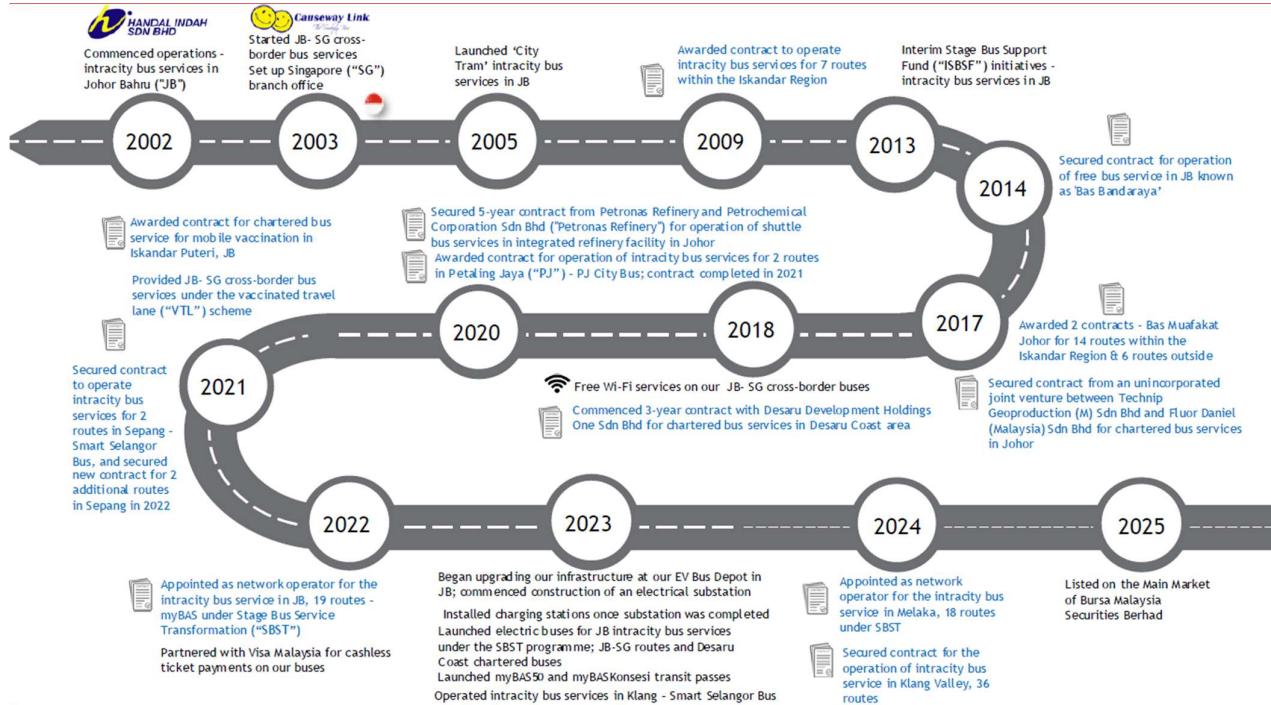


EXHIBIT 20: COMPARISON BETWEEN NET COST MODEL AND GROSS COST MODEL

Feature	Net Cost Model	Gross Cost Model
Revenue & Ridership Risk	Borne by Operator (exposed to low ridership or fare changes)	Borne by Government (operator insulated from demand swings)
Mechanism	<ul style="list-style-type: none"> Operator collects fare revenue directly from passengers. Government compensates shortfalls if fare revenue < operating cost. Payments made via monthly subsidy or claims. 	<ul style="list-style-type: none"> Government pays a fixed rate per vehicle-km (covering cost + margin). All fare revenue is remitted to the government. Operator paid based on service output/performance.
Payout Formula	Operating Cost – Fare Revenue	Agreed Rate × Vehicle-km Operated
Operator Focus	Maximising ridership and fare efficiency.	Operational reliability and service quality.
Government Role	Compensation for revenue shortfalls; limited control over fare structure.	Manages fare policy, route design, and performance standards.
Earnings Visibility	Low – dependent on demand and fare collection.	High – predictable, contract-based payments.
Examples / Application	Previously used in Malaysia under ISBST/ISBSF schemes.	Adopted under Malaysia's SBST framework. Used in London, Australia, Korea, Singapore.

Source: AmlInvestment Bank

EXHIBIT 21: KEY HISTORY AND MILESTONES



Source: Company

EXHIBIT 22: INTERNAL COMBUSTION ENGINE BUSES

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ICE Buses



Source: Company

EXHIBIT 23: ELECTRIC BUSES AND DEPOTS

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Electric Buses



Actively embracing sustainable bus transportation by incorporating electric buses into our fleet to support our business growth as well as to replace ageing buses

4

Bus Depots; 3 in Johor & 1 in Melaka

Key functions:

- parking and storage for our buses
- pre-trip inspection where our technicians and drivers perform safety checks before departure, and upkeep of buses
- covered workshops in our JB depot to carry our bus repair and maintenance services
- fuelling facilities for our ICE buses as well as charging stations for our electric buses



Charging stations for our electric buses

Source: Company

EXHIBIT 24: FINANCIAL DATA

Income Statement (RMmil, YE 31 Jan)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	207.7	279.8	317.4	351.7	365.6
EBITDA	65.8	80.1	96.6	123.6	135.1
Depreciation/Amortisation	(15.9)	(22.2)	(21.1)	(23.9)	(26.7)
Operating income (EBIT)	49.9	57.9	75.5	99.7	108.4
Other income & associates	-	-	-	-	-
Net interest	(4.7)	(7.5)	(7.7)	(8.0)	(8.2)
Exceptional items	-	-	-	-	-
Pretax profit	45.1	50.5	67.7	91.7	100.2
Taxation	(12.0)	(6.7)	(16.3)	(22.0)	(24.0)
Minorities/pref dividends	-	-	-	-	-
Net profit	33.2	43.8	51.5	69.7	76.1
Core net profit	33.2	43.8	51.5	69.7	76.1
Balance Sheet (RMmil, YE 31 Jan)	FY24	FY25	FY26F	FY27F	FY28F
Fixed assets	154.4	254.5	258.4	299.5	337.8
Intangible assets	-	-	-	-	-
Other long-term assets	6.6	13.4	13.4	13.4	13.4
Total non-current assets	161.0	267.9	271.8	312.9	351.2
Cash & equivalent	27.0	47.0	188.8	189.7	199.8
Stock	-	-	-	-	-
Trade debtors	42.2	39.3	44.6	49.4	51.4
Other current assets	0.6	1.3	1.4	1.5	1.5
Total current assets	69.8	87.7	234.9	240.7	252.6
Trade creditors	37.6	32.1	35.3	36.9	37.7
Short-term borrowings	18.9	15.7	15.7	15.7	15.7
Other current liabilities	65.2	24.8	24.8	24.8	24.8
Total current liabilities	121.7	72.6	75.8	77.4	78.2
Long-term borrowings	14.7	105.5	105.5	105.5	105.5
Other long-term liabilities	23.8	46.1	46.1	46.1	46.1
Total long-term liabilities	38.5	151.5	151.5	151.5	151.5
Shareholders' funds	70.6	131.5	277.4	322.7	372.2
Minority interests	-	-	-	-	-
BV/share (RM)	1.36	1.31	1.31	1.52	1.75
Cash Flow (RMmil, YE 31 Jan)	FY24	FY25	FY26F	FY27F	FY28F
Pretax profit	45.1	50.5	67.7	91.7	100.2
Depreciation/Amortisation	15.9	22.2	21.1	23.9	26.7
Net change in working capital	5.3	(10.4)	(2.1)	(3.3)	(1.2)
Others	7.0	(2.7)	(16.3)	(22.0)	(24.0)
Cash flow from operations	73.3	59.6	70.5	90.3	101.7
Capital expenditure	(24.6)	(70.5)	(25.0)	(65.0)	(65.0)
Net investments & sale of fixed assets	2.8	-	-	-	-
Others	(15.7)	8.6	-	-	-
Cash flow from investing	(37.5)	(61.9)	(25.0)	(65.0)	(65.0)
Debt raised/(repaid)	(4.8)	8.9	-	-	-
Equity raised/(repaid)	-	20.0	115.9	-	-
Dividends paid	(21.0)	-	(19.6)	(24.4)	(26.6)
Others	(2.5)	(4.2)	-	-	-
Cash flow from financing	(28.3)	24.7	96.3	(24.4)	(26.6)
Net cash flow	7.5	22.5	141.8	0.9	10.1
Net cash/(debt) b/f	17.5	25.8	46.6	188.4	189.3
Net cash/(debt) c/f	25.8	46.6	188.4	189.3	199.3
Key Ratios (YE 31 Jan)	FY24	FY25	FY26F	FY27F	FY28F
Revenue growth (%)	73.6	34.7	13.4	10.8	3.9
EBITDA growth (%)	80.0	21.8	20.6	27.9	9.3
Pretax margin (%)	21.7	18.0	21.3	26.1	27.4
Net profit margin (%)	16.0	15.6	16.2	19.8	20.8
Interest cover (x)	10.6	7.8	9.7	12.5	13.2
Effective tax rate (%)	26.5	13.3	24.0	24.0	24.0
Dividend payout (%)	48.2	25.4	38.0	35.0	35.0
Debtors turnover (days)	89	53	48	49	50
Stock turnover (days)	-	-	-	-	-
Creditors turnover (days)	67	45	39	37	37

Source: Company, AmlInvestment Bank Bhd estimates

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