



## AmInvestment Bank

## Company Report

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**3Q26 earnings improved 3% QoQ on strong utilisation, acquisition upside intact.**

BUY

(Maintained)

### ***Rationale for report: Company Result***

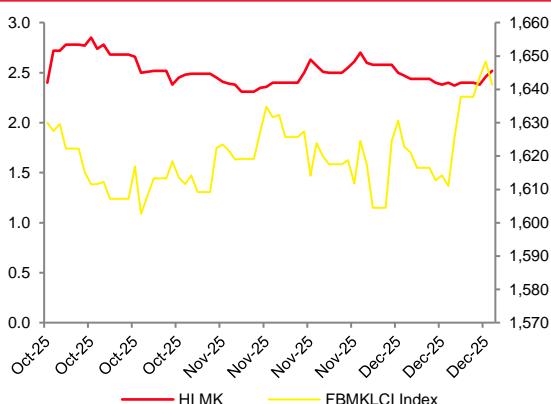
Price	RM2.52			
Fair Value	RM3.60			
52-week High/Low	RM2.88/RM1.20			
<b><u>Key Changes</u></b>				
Fair value	↑			
EPS	↑			
YE to Jan	FY25	FY26F	FY27F	FY28F
Revenue (RM mil)	279.8	317.4	507.6	548.5
Core net profit (RM mil)	43.8	54.9	87.3	96.8
FD Core EPS (sen)	8.2	10.3	16.3	18.1
FD Core EPS growth (%)	23.4	25.5	59.0	10.8
Consensus Net Profit (RM mil)	-	-	-	-
DPS (sen)	2.2	3.9	5.7	6.3
PE (x)	30.8	24.5	15.4	13.9
EV/EBITDA (x)	17.7	11.8	8.2	7.3
Div yield (%)	0.9	1.6	2.4	2.6
ROE (%)	43.3	22.3	22.4	21.5
Net Gearing (%)	56.4	nm	nm	nm

## Stock and Financial Data

Shares Outstanding (million)	534.4
Market Cap (RMmil)	1,346.7
Book Value (RM/Share)	1.31
P/BV (x)	1.9
ROE (%)	43.3
Net Gearing (%)	56.4

Major Shareholders	Bumi Mampan (7.8%) Sun Life Financial Inc (0.1%) Russell Investments Group (0.0%) Others
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Free Float	92.1	
Avg Daily Value (RMmil)	5.5	
<b>Price performance</b>		
3mth	6mth	12mth



## Investment Highlights

HiMob's 9MFY26 core net profit of RM41mil exceeded expectations on lower operating cost, almost matching its full-year FY25 run-rate and remain on track to deliver a new annual high. Its 3QFY26 core earnings of RM14mil (+3% QoQ) continues to validate our initiation thesis of growing cross border and intracity demand, while recent Acacia-Handal acquisition accelerates HiMob's evolution into an integrated mobility platform. Together, these developments underpin HiMob's medium-term growth outlook with FY25–FY28F PAT CAGR of 30%, backed also by its ability to compete for upcoming EV bus tenders. We continue to like HiMob as it offers a rare mix of defensive visibility and scalable growth, positioning it as re-rating candidate within Malaysia's transport sector.

- **Maintain BUY with a higher TP RM3.60 (from RM3.40), based on 20x forward PE and benchmarked against regional public transport and mobility-as-a-Services (MaaS) peers, implying 43% upside to the current share price.**
- **Results above expectations, with lower operating cost.** HiMob's 9MFY26 core net profit of RM41mil came in above expectations, accounting for 80% of our full year's estimate. The upbeat performance stemmed from lower-than-expected operating costs, reflecting positive operating leverage and lower fuel cost amid a soft Brent environment, lifting overall margins. Accordingly, we raised our FY26F-FY28F earnings by 6-7%, with average PAT margin inched up to 17% from 16% previously. A 3QFY26 DPS of 1 sen was declared, bringing 9MFY26 DPS of 3sen. While HiMob has no formal dividend policy, the payout reflects early commitment to shareholder returns, supported by recurring cash flows and are on track with our FY26F DPS.
- **Earnings grew 3% QoQ from stronger cross-border and intracity.** This is in line with higher revenue (+4% QoQ) mainly driven by scheduled bus services (+3% QoQ) which accounted for 97% of revenue mix. With strong utilisation rate of 80% in 3QFY26, gross profit margin expanded by 5ppt sequentially given positive operating leverage. Overall, earnings visibility remains resilient, underpinned by a RM190mil unbilled order book YTD and ongoing annual contract wins, translating into 1-1.5 years of order-book cover with visibility extending to 2029.
- **Positive outlook from earnings-accretive acquisition with FY25-FY28F PAT CAGR of 30%.** The acquisition of Handal-Acacia bus assembly and distributor, expected to be completed in 1QFY27, will lift FY27F-FY28F earnings by 18%-20%, adding RM12mil-RM15mil of incremental PAT. This positions HiMob to capture up to RM1.9bil of bus tenders through 2030 under new rules requiring local EV assembly, operation and maintenance, with further upside as capacity expands and tender volumes ramp. Key risks include slower-than-expected EV bus rollout, cost pressures and execution risks in scaling assembly capacity.

## EXHIBIT 1: 3Q26 AND 9M26 EARNINGS SUMMARY

RM mil, YE 31 Jan	2Q26	3Q26	QoQ %	9M26
Revenue	79.3	82.2	4	235.3
Cost of sales	(59.3)	(57.5)	(3)	(171.5)
<b>Gross profit</b>	<b>20.0</b>	<b>24.8</b>	<b>24</b>	<b>63.8</b>
Other income/expenses – Net	5.0	1.5	(70)	10.2
Administrative expenses	(5.5)	(5.9)	7	(16.1)
Distribution and other operating expenses	(0.7)	(0.2)	(74)	(1.6)
<b>Operating profit</b>	<b>18.8</b>	<b>20.2</b>	<b>7</b>	<b>56.3</b>
Finance costs	(2.3)	(2.4)	4	(6.8)
<b>PBT</b>	<b>16.5</b>	<b>17.8</b>	<b>8</b>	<b>49.5</b>
Tax	(2.7)	(3.0)	14	(8.2)
<b>PAT</b>	<b>13.9</b>	<b>14.8</b>	<b>6</b>	<b>41.3</b>
MI	0.0	0.0	n.a	0.0
<b>PATMI</b>	<b>13.9</b>	<b>14.8</b>	<b>6</b>	<b>41.3</b>
Exceptionals	0.0	(0.5)	n.a	(0.3)
<b>Core PATMI</b>	<b>13.9</b>	<b>14.3</b>	<b>3</b>	<b>41.0</b>
GPM	25%	30%		27%
OPM	24%	25%		24%
PBT	21%	22%		21%
PAT	18%	18%		18%
core PATMI	18%	17%		17%
<b>Business Segment (RM mil)</b>	<b>2Q26</b>	<b>3Q26</b>	<b>QoQ %</b>	<b>9M26</b>
Scheduled bus services	77.1	79.7	3	227.8
Chartered bus services	1.4	1.4	1	4.5
Others	0.8	1.1	37	3.0
Total	79.3	82.2	4	235.3
<b>Country of Operation (RM mil)</b>				
Malaysia	41.5	43.4	5	124.0
Singapore	37.8	38.9	3	111.2
Total	79.3	82.2	4	235.3

\*3Q25 and 9M25, no comparative figure as no interim financial report was prepared prior listing

Source: AmlInvestment Bank

## EXHIBIT 2: CHANGE IN EARNINGS

RM mil	FY26F			FY27F			FY28F		
	Old	New	%	Old	New	%	Old	New	%
Revenue	317.4	317.4	-	507.6	507.6	-	548.5	548.5	-
Earnings	51.5	54.9	7	82.2	87.3	6	91.6	96.8	6

Source: AmlInvestment Bank

## EXHIBIT 3: VALUATIONS

Target PE (x)	20
FY28 EPS	18.1 (from 17.1)
ESG premium	-
12-month target price	RM3.60 (from RM3.40)

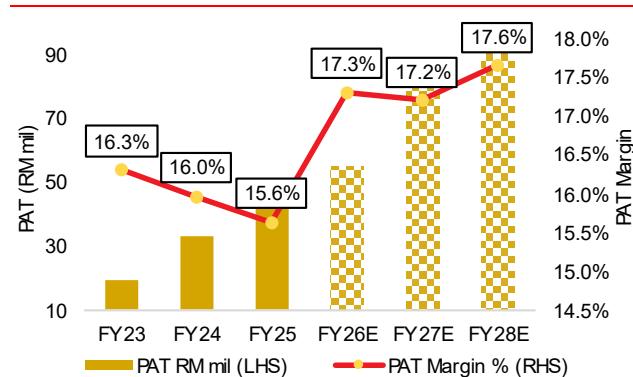
Source: AmlInvestment Bank

## EXHIBIT 4: PEER COMPARISONS

Name	Ticker	Mkt Cap (RM b)	Enterprise Value (RM b)	1 Year Forward				3 Year Average		3 Year Fwd CAGR		Net gearing*	Div. Payout*
				PE	EV/EBITDA	PB	Div Yld	EBITDA Margin	Net Profit Margin	EBITDA	Net Profit		
Hi Mobility Bhd <b>Public Transport</b>	HI MK	1.2	1.3	20	13.5	4.7	1.5%	30%	16%	25%	28%	0.1x	38%
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 <b>Mobility-as-a-service</b>	CD SP	10.4	14.5	13	5.4	1.1	6.1%	16%	5%	8%	10%	0.2x	79%
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%
<b>Simple Average</b>				<b>20</b>	<b>11.7</b>	<b>9.5</b>	<b>2.9%</b>	<b>22%</b>	<b>12%</b>	<b>21%</b>	<b>21%</b>	<b>0.4x</b>	<b>51%</b>

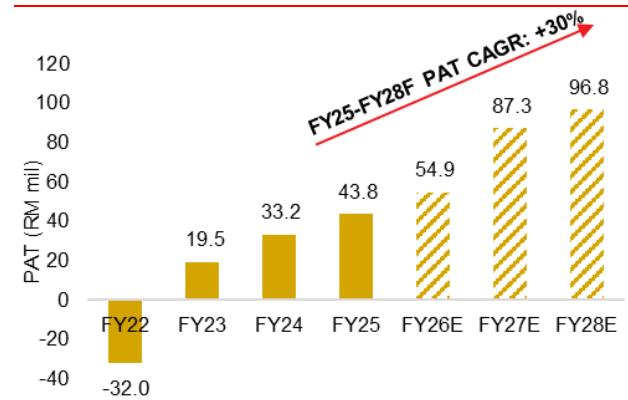
Source: Company, AmlInvestment Bank

## EXHIBIT 5: PAT AND PAT MARGIN



Source: Company, AmlInvestment Bank

## EXHIBIT 6: PAT FORECAST



Source: Company, AmlInvestment Bank

### Company profile

Hi Mobility Berhad is a Malaysian-based investment holding company that provides bus transportation services, operating under the brand Causeway Link, and is listed on the Bursa Malaysia. It specializes in local and cross-border services between Malaysia and Singapore, as well as intracity and intercity routes within Peninsular Malaysia, particularly in Johor, Melaka, and the Klang Valley. The company's business includes scheduled, chartered, and government-contracted bus services, with a diverse fleet that is progressively incorporating electric buses.

### Investment thesis and catalysts

**Cross-border mobility revenue to grow 9% YoY from FY25 to FY28F.** Cross-border mobility (60% of revenue) is set to grow 9% YoY as the Johor Bahru-Singapore RTS Link unlocks latent commuter demand within a RM177mil addressable market. We expect ridership to rise 6% YoY at 75-80% utilisation, supported by faster turnaround times and HiMob's 60% cheaper fares versus rail.

**Intracity ops to deliver 8% YoY topline growth in FY25-FY28F.** Intracity services (35% of revenue) are guided to grow 8% YoY, supported by RM190mil unbilled order book YTD and annual contract wins, giving 1.0-1.5 years of order book cover to 2029. The SBST Gross-Cost Model offers defensive, government-backed cash flows with limited ridership risk.

**New growth engine: Integrated mobility platform drive FY25-FY28F PAT CAGR of 30%, strong contender for RM1.9bil EV bus tender.** HiMob's RM82.5mil all-share acquisition of Acacia and Handal is immediately earnings-accretive, as the assets are secured at 7x forward PE while payment is made with HiMob shares valued at 17x forward PE, driving a 10%-13% uplift to FY27F-FY28F EPS. Strategically, the integration strengthens HiMob's position for the RM1.9bil national bus tender through 2030, supported by Acacia's planned 2.5x capacity expansion (240 in FY26 to 600 units p.a.)

### Valuation methodology

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 RM3.60/share.

### Risk factors

1. Contract Renewal Risk  
5-year SBST/Rapid Bus contracts carry renewal risk, mitigated by HiMob's strong track record and entrenched presence.
2. Competition Risk  
RTS Link and other modes may divert demand, but Causeway Link stays competitive on fares and connectivity.
3. Regulatory and Macro Risk  
Policy and economic shifts may raise costs; gross-cost contracts and EV/CKD plans help cushion impact.

## EXHIBIT 7: FINANCIAL DATA

Income Statement (RMmil, YE 31 Jan)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	207.7	279.8	317.4	507.6	548.5
EBITDA	65.8	80.1	101.2	146.8	162.3
Depreciation/Amortisation	(15.9)	(22.2)	(21.1)	(23.9)	(26.7)
Operating income (EBIT)	49.9	57.9	80.0	122.9	135.6
Other income & associates	-	-	-	-	-
Net interest	(4.7)	(7.5)	(7.7)	(8.0)	(8.2)
Exceptional items	-	-	-	-	-
<b>Pretax profit</b>	<b>45.1</b>	<b>50.5</b>	<b>72.3</b>	<b>114.9</b>	<b>127.4</b>
Taxation	(12.0)	(6.7)	(17.3)	(27.6)	(30.6)
Minorities/pref dividends	-	-	-	-	-
<b>Net profit</b>	<b>33.2</b>	<b>43.8</b>	<b>54.9</b>	<b>87.3</b>	<b>96.8</b>
Core net profit	33.2	43.8	54.9	87.3	96.8
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
<b>Total non-current assets</b>	<b>161.0</b>	<b>267.9</b>	<b>271.8</b>	<b>312.9</b>	<b>351.2</b>
Cash & equivalent	27.0	47.0	336.5	326.6	346.2
Stock	0.6	1.3	1.3	1.4	1.4
Trade debtors	42.2	39.3	44.6	71.3	77.1
Other current assets	-	-	-	-	-
<b>Total current assets</b>	<b>69.8</b>	<b>87.7</b>	<b>382.4</b>	<b>399.3</b>	<b>424.7</b>
Trade creditors	37.6	32.1	34.6	35.8	36.6
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
<b>Total current liabilities</b>	<b>121.7</b>	<b>72.6</b>	<b>75.1</b>	<b>76.3</b>	<b>77.1</b>
Long-term borrowings	14.7	105.5	171.0	171.0	171.0
Other long-term liabilities	23.8	46.1	46.1	46.1	46.1
<b>Total long-term liabilities</b>	<b>38.5</b>	<b>151.5</b>	<b>217.1</b>	<b>217.1</b>	<b>217.1</b>
Shareholders' funds	70.6	131.5	362.0	418.8	481.7
Minority interests	-	-	-	-	-
BV/share (RM)	1.36	1.31	1.22	1.41	1.62
Cash Flow (RMmil, YE 31 Jan)	FY24	FY25	FY26F	FY27F	FY28F
Pretax profit	45.1	50.5	72.3	114.9	127.4
Depreciation/Amortisation	15.9	22.2	21.1	23.9	26.7
Net change in working capital	5.3	(10.4)	(2.8)	(25.6)	(5.0)
Others	7.0	(2.6)	(17.3)	(27.6)	(30.6)
<b>Cash flow from operations</b>	<b>73.3</b>	<b>59.6</b>	<b>73.2</b>	<b>85.7</b>	<b>118.5</b>
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	-	-	-
<b>Cash flow from investing</b>	<b>(37.5)</b>	<b>(61.9)</b>	<b>(25.0)</b>	<b>(65.0)</b>	<b>(65.0)</b>
Debt raised/(repaid)	(4.8)	8.9	65.6	-	-
Equity raised/(repaid)	-	20.0	196.5	-	-
Dividends paid	(21.0)	-	(20.9)	(30.6)	(33.9)
Others	(2.5)	(4.2)	-	-	-
<b>Cash flow from financing</b>	<b>(28.3)</b>	<b>24.7</b>	<b>241.2</b>	<b>(30.6)</b>	<b>(33.9)</b>
Net cash flow	7.5	22.5	289.4	(9.9)	19.6
Net cash/(debt) b/f	17.5	25.8	46.6	336.0	326.1
Net cash/(debt) c/f	25.8	46.6	336.0	326.1	345.7
Key Ratios (YE 31 Jan)	FY24	FY25	FY26F	FY27F	FY28F
Revenue growth (%)	73.6	34.7	13.4	60.0	8.1
EBITDA growth (%)	80.0	21.8	26.2	45.1	10.5
Pretax margin (%)	21.7	18.0	22.8	22.6	23.2
Net profit margin (%)	16.0	15.6	17.3	17.2	17.6
Interest cover (x)	10.6	7.8	10.3	15.4	16.5
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	42	49
Stock turnover (days)	1	1	2	1	1
Creditors turnover (days)	67	45	38	25	24

Source: Company, Amlnvestment Bank Bhd estimates

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