Aquawalk Group Berhad (AQUAWALK)

Visit ASEAN, Visit Malaysia 2026, Visit Aquaria

- **Incorporated in 2001, Aquawalk Group Berhad is an aquaria operator and developer with a presence across Southeast Asia. Its core activities encompass the operation and development of aquaria, alongside the design, development and maintenance of third-party aquaria through its subsidiary, Aquablu Technologies.**
- **We project 3-year earnings CAGR of 4.7%, with core PAT anticipated to reach RM36.3m-RM41.8m over the next three years. This growth is underpinned by (i) Visit Malaysia 2026 campaign, (ii) new tourist attractions in Aquaria KLCC and Aquaria Phuket and (iii) upcoming construction of new aquaria in Kota Kinabalu and Java.**
- **We assign a fair value of RM0.38 per share for AQUAWALK, indicating a 22.6% upside from the share price of RM0.31. This valuation is based on a PE multiple of 18.0x pegged to FY26f EPS of 2.13 sen.**

Investment highlights

Prime locations with strong footfall. The group's aquaria are strategically located within major tourism catchment areas across key cities, including Kuala Lumpur (notably within the Kuala Lumpur Convention Centre), Phuket, and Jakarta, all of which benefit from strong complementary attractions, accessibility, and visitor traffic. With RM32.9m of IPO proceeds allocated for upgrades and new attraction developments at Aquaria KLCC and Aquaria Phuket, both aquaria are expected to sustain and enhance visitor footfall moving forward.

Key proxy to ASEAN tourism industry. The group has earmarked RM56.9m of IPO proceeds for the construction of new aquaria in Kota Kinabalu, Sabah, and Java, Indonesia, scheduled for completion in 2028 and 2026 respectively. Supported by its existing footprint in Kuala Lumpur, Phuket and Jakarta, the group is well positioned to capture on the region's growing tourism momentum. According to Statista, the ASEAN tourism industry is projected to grow at a CAGR of 11.4% from 2025 to 2030, reinforcing AQUAWALK's role as a key proxy to the ASEAN's tourism industry expansion.

High barrier to entry. The aquarium industry requires substantial capital investment, specialised technical expertise, and long gestation periods for planning, design and regulatory approval, creating significant barriers for new entrants. AQUAWALK's extensive track record in aquarium operations, coupled with in-house capabilities in design, development and maintenance through Aquablu Technologies, provides a strong economic moat that is difficult to replicate.

Benefitting from Budget 2026 and VM2026. Under Budget 2026, PM Anwar Ibrahim announced a RM700m allocation to boost the tourism sector, including RM500m specifically for the Visit Malaysia 2026 (VM2026) campaign. A special income tax relief of RM1,000 for entrance fees to local tourism centres and cultural programmes will also be implemented. As aquaria appeal to a broad demographic, including families, schools, couples, and community groups, this special income tax relief initiative is expected to further drive visitors to Aquaria KLCC in the coming year.

Market share to sustain and expand. According to the IMR report, Aquaria KLCC is Malaysia's largest aquarium operator by revenue, commanding an estimated 50.7% market share. Meanwhile, Aquaria Phuket and Jakarta AQuarium Safari (JAQS) has market shares of around 11.0%–15.0% and 14.0%–19.0% in Thailand and Indonesia, respectively. We expect AQUAWALK's market share to remain resilient and expand further, supported by the upcoming refurbishment of existing aquaria and the development of new aquaria in Kota Kinabalu and Java.

IPO Note – Not rated

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Non-Rated

Share price	**RM0.31**
Target price	**RM0.38**
Previous TP	**-**
Capital upside	22.6%
Dividend return	1.9%
Total return	24.5%

Company profile

Aquawalk Group Berhad is primarily involved in the (i) operation and development of aquaria and also (ii) design, development and maintenance of third-party aquaria, with presence across Kuala Lumpur, Phuket and Jakarta.

Stock information

Bursa Code	0380
Bloomberg ticker	AQUAWALK MK
Listing market	ACE
Share issued (m)	1843.0
Market Cap (m)	571.3
Shariah compliant	YES
MITI allocation	YES

Major shareholders

	%
Vestmap	41.2
Feliz Natur	5.3
Aquawalk Holdings Limited	5.2

Earnings snapshot

FYE (Dec)	FY24	FY25f	FY26f
PATMI (m)	36.4	36.3	39.2
EPS (sen)	2.0	2.0	2.1
P/E (x)	15.7	15.8	14.6

Timetable of IPO

Opening of application	30 October
Closing of application	7 November
Balloting of application	11 November
Allotment of the IPO shares	18 November
Listing on the ACE market	19 November

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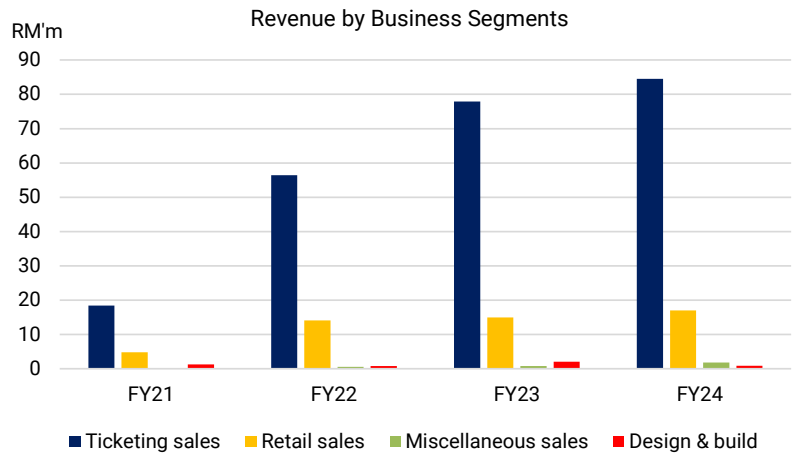
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Company background

Incorporated since 2001, Aquawalk Group Berhad is an established aquarium operator and developer in Southeast Asia. The group owns and operates Aquaria KLCC in Kuala Lumpur and Aquaria Phuket in Thailand, and co-owns JAQS in Indonesia through its associate company, PJAI. Collectively, these aquaria welcomed over 1.5m visitors in FY24, underscoring the group's strong regional brand and operational expertise.

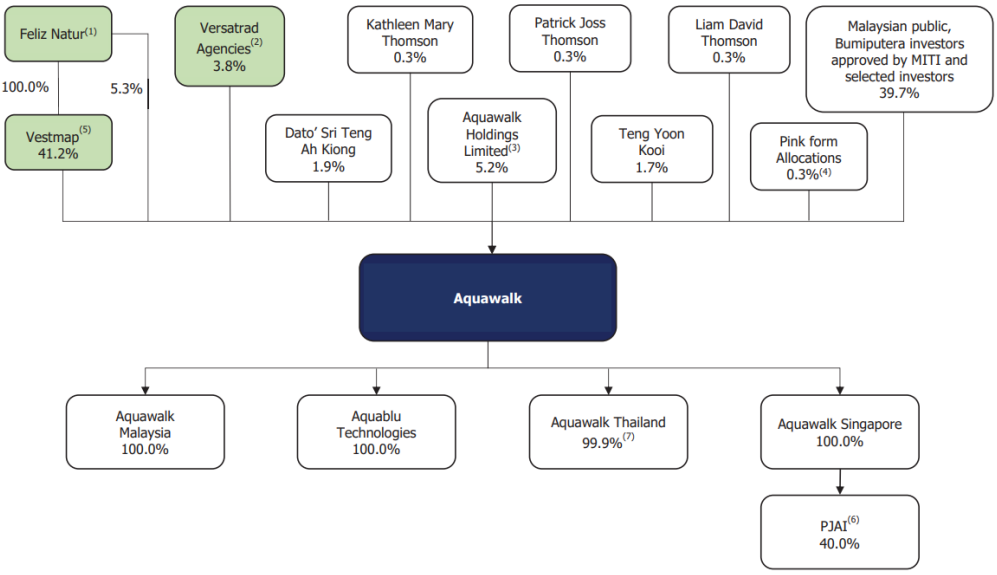
The group's core businesses include (i) the operation and development of its own aquaria, and (ii) the design, development and maintenance of new or third-party aquaria through its subsidiary, Aquablu Technologies. AQUAWALK offers end-to-end aquarium solutions, from concept design and development to ongoing facility management and maintenance. In addition, the group continues to drive organic growth through new exhibit additions, enhanced visitor experiences, retail and F&B collaborations, as well as partnerships with third-party ticketing platforms and government agencies.

Fig #1 Revenue by business segment



Source: Aquawalk Group Berhad, M+ Research

Fig #2 Post-IPO shareholding structure



Source: Aquawalk Group Berhad

Substantial Shareholders & Key Senior Management

1. Dato' Simon – Executive Chairman
Dato' Simon, aged 71, is the Promoter, Executive Chairman and substantial shareholder of the AQUAWALK. He holds a Bachelor of Arts (Hons) in Business Studies from Ulster Polytechnic, UK, and completed the Senior Management Development Program by Harvard Business School Alumni Club of Malaysia. An entrepreneur with over 40 years of business experience, Dato Simon provides strategic leadership and direction for the group, leveraging his extensive experience in tourism, lifestyle and hospitality sectors. He also serves as Non-Independent Non-Executive Chairman of InNature Berhad and Group Managing Director of Senja Aman Holdings Sdn Bhd.

2. Daryl Foong – Executive Director / Group Chief Executive Officer
Mr. Daryl, aged 39, is the Promoter, Executive Director and Group CEO. He holds a Bachelor's Degree in Marketing from RMIT University, Australia, and has over 15 years of experience in marketing, brand management and tourism operations. Since joining Aquawalk in 2016, he has held various leadership roles, including General Manager and Executive Director, before his appointment as Group CEO in 2024. He oversees the Group's overall operations, strategy execution and new business development, and drives marine conservation and educational initiatives across its aquaria.

3. Henry Ooi – Group Chief Corporate Governance and Finance Officer
Mr. Henry, aged 43, holds a Bachelor of Arts in Accounting and Finance from Sheffield Hallam University, UK, and an MBA from the University of Strathclyde, UK. He is a Fellow of ACCA and a member of the Malaysian Institute of Accountants (MIA). With over 18 years of experience spanning audit, corporate finance, and governance, including senior roles at PwC, Genting Malaysia and Animation Theme Park, Henry oversees the Group's finance, governance and internal control functions. He joined Aquawalk in 2022 and was appointed to his current position in 2024.

4. Santhanamary John – Chief Operating Officer (Aquawalk Thailand)
Ms. Santhanamary, aged 49, holds a Master of Business Administration from the University of Wales Trinity Saint David, UK, and is a member of ACCA and MIA. She has over 25 years of experience in finance, administration and operations management. Having joined Aquawalk in 2004, she played a key role in the development and operations of Aquaria Phuket and was appointed Chief Operating Officer of Aquawalk Thailand in 2024. She currently oversees the day-to-day operations and management of Aquaria Phuket.

Fig #3 Corporate milestones

Year	Milestones
2001	• Incorporation of Aquawalk Malaysia
2005	• Aquaria KLCC completed its development and began operations since August 2005, featuring approximately 5,000 aquatic population and the longest underwater tunnel in Malaysia.
2009	• Incorporation of Aquablu Technologies to offer services for the development of new or third-party aquaria and technical consultation to third-party aquaria operators.
2015	• Further expansion to Thailand with the incorporation of Aquawalk Thailand to develop a new aquarium in Central Phuket Floresta, a megamall in Phuket, Thailand.
2016	• In June 2016, the group entered into a joint venture with PT Taman Safari Ventura and Frans Manansang (later replaced by PT Mitra Agung) to develop an aquarium in Jakarta, Indonesia.

	• Aquawalk Singapore was incorporated in June 2016 as an investment holding company, with Aquawalk Malaysia holding 75% and Delmango Investments Limited holding 25%. • Aquawalk Singapore holds a 40% stake in PT Jakarta Akuarium Indonesia, the joint-venture company that developed JAQS.
2017	• JAQS began operations in October 2017.
2019	• Aquaria Phuket was completed in August 2019 and commenced operations in August 2019, with recognition by the Thailand Tourism Authority as a new tourist attraction of importance.
2021	• Obtained ISO 9001 certification for Aquawalk Thailand
2024	• Obtained ISO 9001 certification for Aquawalk Malaysia.

Source: Aquawalk Group Berhad

Fig #4 Utilisation of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Capital expenditure	89.8	78.6	Within 48 months
IT systems improvement	3.0	2.6	Within 36 months
Working capital	14.5	12.7	Within 36 months
Estimated listing expenses	7.0	6.1	Within 1 month
Total	114.3	100.0	

Source: Aquawalk Group Berhad

Business overview

Ticketing sales (81.0% of FY24). The group's main revenue stream stems from ticketing sales at its aquaria, comprising (i) direct sales through on-site counters and official websites, (ii) third-party sales via travel agents and ticketing platforms such as Klook, GlobalTix and KKday, and (iii) educational sales through school visits under the "living classroom" programme.

Retail sales (16.3% of FY24). This segment covers merchandise sales (souvenirs, apparel, and educational materials) and photography packages (professional and digital photo services), enriching the visitor experience and creating supplementary revenue streams for the group.

Miscellaneous sales (1.8% of FY24). Comprises rental income from third-party retail and F&B outlets within the aquaria, concession sales from in-house snack and beverage counters, and fish food sales from interactive feeding experiences, particularly popular among family visitors.

Design, development and maintenance of third-party aquaria (0.9% of FY24). Through its subsidiary Aquablu Technologies, the group provides design, project management, technical consultation and maintenance services for external aquaria.

Fig #5 Principal business activities across diversified portfolio

Our Group's principal activities	Operations and development of our Group's own aquaria			Design, development and maintenance of new or third-party aquaria
	Ticketing sales	Retail sales	Miscellaneous sales	Design, development and maintenance
Our Group's operations	Aquaria KLCC and Aquaria Phuket • Sale of admission tickets to the respective aquaria • Operations and maintenance of aquaria to optimise visitor experience	Third-party merchandise and photography packages • Collaboration with third party vendors to provide aquaria-themed merchandise to visitors • Provision of photography at strategic spots to visitors	Rental, F&B, fish food and concession sales • Leasing of space to third-parties • Concessions for visitors during their visit in Aquaria • Sale of fish food to feed aquatic animals	• Provision of design, engineering, technical consultation and project management aquatic and zoological exhibits, integrated entertainment complexes and attractions • Provision of management, operational and maintenance services.
Customers	• Walk-in sales • Third-party platform and resellers • Online sales	• Walk-in sales	• Walk-in sales	• Aquatic and zoological exhibits • Integrated entertainment complexes • Private entities
Geographical market	• Malaysia for Aquaria KLCC • Thailand for Aquaria Phuket			• Malaysia • Thailand • Others[1]

Source: Aquawalk Group Berhad

Fig #6 SWOT analysis of AQUAWALK

Strength	Weakness
• Established regional presence • Aquaria located at prime locations with high footfall • Integrated in-house capabilities • Dominant market position in Malaysia	• High fixed-cost structure • Earnings are heavily reliant on customer visits
Opportunity	**Threat**
• Expansion into Kota Kinabalu and Java • Visit Malaysia 2026 • Government incentives like Budget 2026 allocation and income tax relief incentive	• Competitive market environment from other tourist attractions • Animal welfare risks • Failure in lease renewal

Source: M+ Research

Financials

Revenue and income highlights. The group reported a RM8.5m or 8.9% YoY growth in revenue, increasing from RM95.8m in FY23 to RM104.3m in FY24, contributed by the increases across all three segments.

(i) Revenue from ticketing sales increased by RM6.6m or 8.6% to RM84.5m in FY24 (FY23: RM77.9m), thanks to the increase in visitorship in both Aquaria KLCC and Aquaria Phuket.

(ii) Meanwhile, revenue from the retail sales also increased by RM2.0m or 13.2% to RM17.0m in FY24 (FY23: RM15.0m), again thanks to higher visitorship which turned into higher merchandising sales and photography services.

(iii) Miscellaneous sales also saw an increase of RM1.1m or 124.7% to RM1.9m (FY23: RM0.8m).

Following the increase in revenue, adjusted PAT increased from RM33.7m in FY23 to RM36.4m in FY24

Balance sheet. The group held a total asset of RM238.9m in FPE25, an increase of RM38.6m or 19.2% from RM200.4m in FY24, primarily due to the increase in right-of-use assets. Meanwhile, the total liabilities saw an increase from RM111.6m in FY24 to RM129.4m in FPE25, led by the increase in lease liabilities. Total equity of the group grew from RM88.7m to RM109.5m due to higher retained earnings. This group is in a net cash position prior to the listing.

Cash flow. Following the increase in PBT, the group recorded a higher net cash from operations, increasing from RM38.4m in FY23 to RM42.0m in FY24. Net cash used in investing activities improved from an net outflow of RM3.9m in FY23 to a net inflow of RM33.9m in FY24, attributed to the disposal of unquoted shares in other investments and withdrawal of other investment. Lastly, cash flow used in financing activities recorded a surge from an outflow of RM13.5m in FY23 to an outflow of RM101.7m in FY24, caused by higher dividends paid. Meanwhile, for FPE25, the group continued to show healthy net cash flow, with a net increase of RM3.0m in cash and cash equivalents.

Earnings forecasts. Moving forward, we project a 3-year earnings CAGR of 4.7%, with core PATMI expected to reach RM36.3m, RM39.2m and RM41.8m over the next three years, largely supported by (i) Visit Malaysia 2026 campaign, (ii) new tourist attractions in Aquaria KLCC and Aquaria Phuket and (iii) upcoming construction of new aquaria in Kota Kinabalu and Java.

Fig #7 Financial Highlights

FYE Dec (RM m)	FY23	FY24	FY25f	FY26f	FY27f
Revenue	95.8	104.3	109.5	118.0	125.7
EBITDA	60.5	57.0	61.4	66.5	71.8
EBIT	49.1	45.2	49.4	53.2	56.6
PBT	43.1	40.9	47.7	51.5	55.0
PAT	33.7	36.4	36.3	39.2	41.8
PATMI – Core	33.7	36.4	36.3	39.2	41.8
PATMI – Reported	33.8	45.6	36.3	39.2	41.8
% change YoY – Core PATMI	45%	8%	0%	8%	7%
Core EPS (sen)	1.8	2.0	2.0	2.1	2.3
P/E (x)	16.9	15.7	15.8	14.6	13.7
EV/EBITDA (x)	9.0	9.5	8.9	8.2	7.6
DPS (sen)	0.3	-	0.6	0.6	0.7
Yield (%)	1%	0%	2%	2%	2%
BVPS (RM/share)	0.1	0.0	0.1	0.1	0.2
P/B (x)	4.5	6.4	2.5	2.3	2.0
ROE (%)	31%	34%	23%	16%	16%
Net Gearing (x)	CASH	CASH	CASH	CASH	CASH

M+ Research

Valuations

We assign a fair value of RM0.38 per share for AQUAWALK, representing a 22.6% upside from its share price of RM0.31. This valuation is based on a P/E ratio of 18.0x, pegged to the FY26 EPS of 2.13 sen.

We believe the ascribed P/E multiple is fair, given that the average 12-months forward P/E and historical P/E multiples of its peers at the Bursa Malaysia Consumer Discretionary sector stood at 17.8x to 31.5x.

Fig #8 Peer comparison

▾ Consumer Discretionary (86 members)			36.616341	79,291.334167		17.77	31.52
PETD	MK	Petronas Dagangan Bhd	8.177381	993.454000	22.4800	19.46	19.65
MRDIY	MK	MR DIY Group M Bhd	5.552427	9,477.475992	1.6000	22.50	25.94
GENM	MK	Genting Malaysia Bhd	5.087793	5,938.044648	2.3400	21.88	22.10
GENT	MK	Genting Bhd	4.869097	3,876.896099	3.4300	13.81	44.08
ORH	MK	Oriental Holdings BHD	1.549251	620.393638	6.8200	--	15.67
DRB	MK	DRB-Hicom Bhd	0.891920	1,933.237051	1.2600	11.90	100.81
MBM	MK	MBM Resources BHD	0.739968	390.887653	5.1700	6.48	6.16
MAG	MK	Magnum Bhd	0.731759	1,437.748654	1.3900	11.12	10.33
SPTOTO	MK	Sports Toto Bhd	0.672782	1,351.030072	1.3600	7.98	7.91
PAD	MK	Padini Holdings Bhd	0.668497	986.864185	1.8500	9.44	11.60
BL	MK	Berjaya Land Bhd	0.494349	5,000.337104	0.2700	--	--
CKI	MK	Cuckoo International Mal bhd	0.396098	1,432.800000	0.7550	--	--
MTI	MK	Magni-Tech Industries Bhd	0.347980	433.950579	2.1900	7.17	7.32
SIGN	MK	Signature International Bhd	0.333260	645.497370	1.4100	--	8.87
SKOU	MK	Sern Kou Resource Bhd	0.315804	1,078.097542	0.8000	--	--
SYS	MK	SEG International BHD	0.308203	1,265.742042	0.6650	--	166.25
AMW	MK	Amway Malaysia Holdings Bhd	0.298549	164.385645	4.9600	18.36	13.89
BAUTO	MK	Bermaz Auto Bhd	0.274690	1,172.176878	0.6400	8.33	7.89
SHMB	MK	Shangri-La Hotels Malaysia Bhd	0.265832	440.000000	1.6500	--	22.50
ALN	MK	Atlan Holdings Bhd	0.227547	253.650409	2.4500	--	12.75
FHB	MK	Fiamma Holdings BHD	0.219420	530.306884	1.1300	--	7.91

Source: Bloomberg

Investment risks

Location and tenancy renewal risk. The group's performance depends on its ability to secure new strategic sites and renew existing leases on favourable terms. Inability to do so may disrupt operations and constrain long-term growth..

Execution and expansion risk. Future projects, joint ventures and strategic initiatives require substantial capital and management resources. Delays, cost overruns or failure to realise expected returns may affect earnings and cash flows.

Operational disruption risk. Aquarium operations rely on critical life-support systems (LSS) and other technical infrastructure. Any major system failure or disruption could reduce visitorship, impair operations, and damage brand reputation.

Animal welfare and disease risk. The group's success depends on maintaining healthy aquatic ecosystems. Disease outbreaks or perceived health risks to visitors could lead to loss of animal exhibits, reduced attendance, and reputational harm.

High fixed-cost structure risk. Aquarium operations entail significant fixed overheads. Any decline in visitorship or revenue without corresponding cost adjustments may lead to margin compression and lower cash flow.

Key personnel dependency risk. The group's success is highly dependent on the experience and leadership of its executive directors and senior management. The loss of any key personnel without suitable replacement could affect operations and strategic execution.

Environmental, Social & Governance (ESG) Practices

Environmental

- **Energy and resource efficiency.** The group implements energy-saving measures such as LED lighting upgrades and solar panel installations at Aquaria Phuket, alongside efficient water management practices including saltwater recycling.
- **Emission and waste management.** Emission levels are actively monitored with long-term net-zero targets, while waste generated is predominantly organic and biodegradable.

- **Conservation and animal welfare.** The group upholds high animal welfare standards, conducts successful breeding and release programmes for species such as bamboo sharks and ocellated eagle rays, and collaborates with authorities and universities on marine conservation and education initiatives.

Social

- **Workplace wellbeing and diversity.** The group upholds fair labour standards guided by the Employment Act and International Labour Organisation's principles, ensuring equal opportunity, diversity, and inclusivity across its operations.
- **Safety protocols**. Safety protocols and training are in place to protect employees, contractors and visitors, ensuring a safe working environment.
- **Community engagement.** The group conducts outreach and educational programmes, including conservation awareness activities in collaboration with government agencies, NGOs and educational institutions.

Governance

- **Anti-Bribery and Whistleblowing policies.** The group maintains a zero-tolerance policy toward bribery and corruption, supported by its Anti-Bribery and Corruption and Whistleblowing Policies.
- **Risk management and compliance.** A comprehensive Risk Management Framework governs business sustainability, supported by adherence to data privacy laws and quality certifications such as ISO 9001:2015.

Overall ESG comments: We view Aquawalk Group Berhad's ESG practices as fair and acceptable. The group demonstrates strong governance through transparent policies, risk management and ethical standards. Socially, its focus on workplace equality, safety, and community outreach underscores a responsible and inclusive culture. Environmentally, its initiatives in energy efficiency, water conservation, and marine preservation highlight a proactive approach toward sustainable and ethical operations.

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Stock recommendation guide	
BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned