Betamek Berhad (BETA)

Automotive Components & Smart Ecosystem Solutions

- **Based in Selangor, Betamek Berhad is an automotive electronics specialist focused on the design and assembly of high-value components for the OEM market. Operating from facilities in Rawang and Sungai Petani, the Group's business is structured into three segments: (i) vehicle audio-visual products, (ii) vehicle accessories, and (iii) niche components and export markets.**
- **We project a 2-year earnings CAGR of 19.5%, with core PATMI reaching RM28.2m–RM35.9m for FY26–27f, underpinned by three key drivers: (i) the RM176m Perodua supply contract anchoring near-term revenue against a TIV trajectory toward 1,000,000 units by 2030; (ii) margin expansion on favourable product mix and scale efficiencies from Rawang and Sungai Petani, and (iii) accelerating diversification, with non-Perodua revenue rising to 18% and exports to 10% of sales.**
- **We assign a fair value of RM0.865 for Betamek, implying a 46.6% upside, based on a P/E of 11x pegged to FY27f EPS of 7.88 sen. We believe this P/E multiple is fair given peers trade at 11x–17x on historical and forward P/E, respectively. Also, on dividends, Betamek stands out on the ACE Market with an attractive ~10% yield based on projected DPS of 5.9 sen in FY27f.**

Investment highlights

Structural beneficiary of Malaysia's rising TIV. Betamek is directly indexed to Malaysia's Total Industry Volume (TIV) growth cycle, with Perodua — the dominant OEM accounting for 43.9% market share in 2025 — as its anchor customer. Industry forecasts project TIV to climb from 790,000 units in 2026 to 1,000,000 units by 2030, implying a steady mid-single-digit CAGR. Perodua's current 85,000-unit backlog further underpins near-term production volume and supports OEM-linked revenue visibility for Betamek. Critically, a freshly secured RM176m six-year supply contract with Perodua (commencing Q3 FY2026) cements Betamek's role as a preferred vendor and provides multi-year earnings certainty.

Improving margins and decent manufacturing efficiencies. The most compelling aspect of the Betamek investment thesis is its gross margin transformation. In FY2025, Betamek's GP margin stood at a modest 15.8%, but the 9M FY2026 GP margin has surged to 20.74%. This step-change is driven by a more favourable product mix — specifically, higher-value vehicle audio/visual products (63.85% of revenue) commanding premium margins — combined with manufacturing efficiencies from scale. Q3 FY2026 PBT alone surged 95.5% YoY, indicative of significant operating leverage kicking in. We believe the margin trajectory is sustainable as the Rawang plant transitions to full 2-shift operations in FY27 and the Sungai Petani facility increases utilisation for Sanshin and export volumes.

Customer and sector diversification. Historically, Perodua (P2) has constituted 90% of Betamek's revenue, representing the most acute concentration risk. Management has actively pivoted — non-P2 revenue has already grown from 10% in FY2025 to 18% in YTD FY2026. Concurrently, export revenue has expanded from a negligible 2% to 10% within a single year, signalling early-stage traction in overseas markets. These are nascent but directionally correct diversification moves. Key catalysts underpinning further diversification include the EVCC/SECC collaboration with Jiangsu Yibang New Energy Technology and the MOU with Pecca Aviation Services (PASSB) for in-flight and in-train entertainment systems — both representing addressable markets entirely outside the automotive TIV cycle.

Not rated

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Non-Rated

Share price	**RM0.59**
Target price	**RM0.865**
Previous TP	**-**
Capital upside	46.6%
Dividend return	10.0%
Total return	56.6%

Company profile

Based in Selangor, Betamek Berhad is an automotive electronics specialist focused on the design and assembly of high-value components for the OEM market.

Stock information

Bursa Code	0263
Bloomberg ticker	BETA MK
Listing market	ACE Market
Share issued (m)	454.8
Market Cap (m)	268.4
Shariah compliant	Yes
MITI allocation	Yes

Major shareholders	%
Iskandar Holdings Sdn Bhd	69.5

Earnings snapshot

FYE (Mar)	FY25	FY26f	FY27f
PATMI (m)	25.1	28.2	35.9
EPS (sen)	5.52	6.20	7.88
P/E (x)	10.7	9.5	7.5

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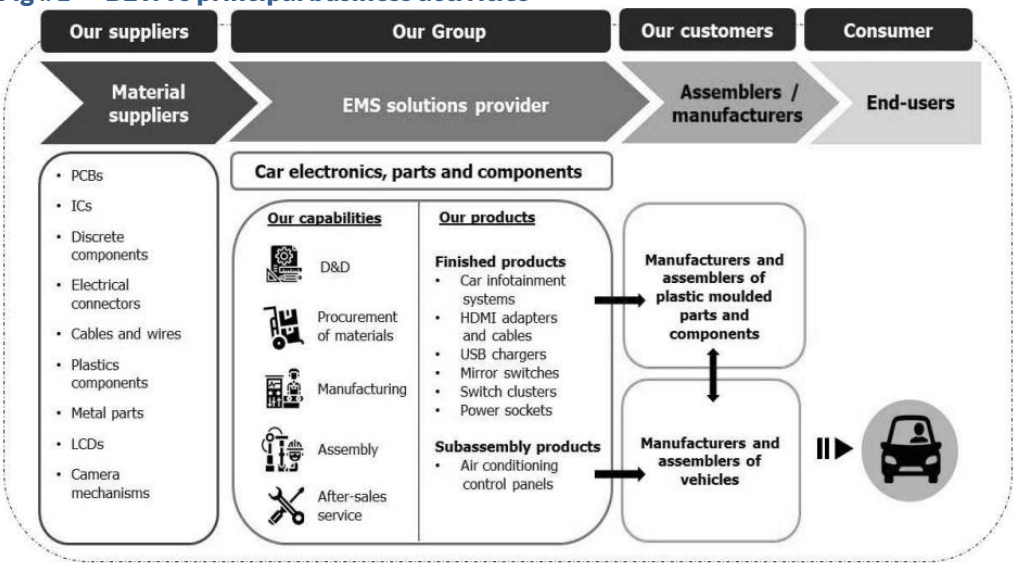
Solid balance sheet with high dividend yields. Betamek operates a capital-light, cash-generative model. As at the latest reporting date, the Group holds RM70.2M in cash against total borrowings of merely RM10.0M — implying a net cash position of RM60.2M, equivalent to approximately RM0.134 per share or 25.5% of its current market capitalisation. The current ratio stands at a robust 3.18x. This financial fortress enables the Group to fund its organic expansion and return capital generously to shareholders. FY2025 dividend of 5.25 sen per share delivered an industry-leading 10.0% yield at current prices. FY2026 YTD dividend stands at 3.5 sen (6.67% yield), with a final dividend likely to push full-year FY2026 DPS toward 5.0-6.0 sen. We believe the payout policy is sustainable given the strong free cash flow profile.

Venturing into high value industries. Beyond its core automotive components business, Betamek is quietly constructing optionality around the EV megatrend. In collaboration with Jiangsu Yibang New Energy Technology, Betamek is developing patented EV Charging Controllers (EVCC) and Supply Equipment Controllers (SECC) targeted at the ASEAN market — a market witnessing 105.7% YoY growth in EV registrations in Malaysia alone. While revenue contribution from this segment is nascent, the intellectual property, partnership framework, and distribution leverage via Yibang's existing OEM relationships (Perodua, Vinfast, Mitsubishi) provide a credible pathway to monetisation by FY2027-28. At its current valuation (~9.5x FY26f earnings), the market assigns near-zero value to this optionality.

Company Overview

Betamek Berhad is a Selangor-based manufacturer of automotive electronic components and accessories, with operations spanning two facilities: Rawang (primary production hub) and Sungai Petani, Kedah. Founded on an OEM-centric model, Betamek's core competency lies in the design, assembly and supply of vehicle audio/visual systems, connectivity products, and related accessories to automotive OEMs, primarily Perodua.

Fig #1 BETA's principal business activities



Source: Betamek Berhad

The Group's three principal revenue segments are:

i. **Vehicle audio/visual products (63.85% of YTD FY2026 revenue).** This includes in-dash infotainment systems, display audio units and related components supplied directly to Perodua's assembly lines.
ii. **Vehicle accessories (25.6% of YTD FY2026 revenue).** Growth here reflects Betamek's successful penetration of the aftermarket and accessories segment beyond pure OEM audio/visual supply.
iii. **Other components and export markets (10.55% of YTD FY2026 revenue).** Accounting for the balance, with exports growing rapidly from 2% to 10% of revenue YoY, spanning ASEAN OEMs.

Betamek is led by an experienced management team headquartered at Lot 137, Lingkaran Taman Industri Integrasi Rawang 2, Rawang, Selangor. The Group has maintained consistent profitability since inception, with a track record of uninterrupted dividend payments across FY2024 and FY2025.

Fig #2 Corporate milestones

Year	Milestones
1989	• Incorporation of Betamek Electronics Sdn. Bhd. (BESB)
1990	• Commenced manufacturing activities with the assembly of vehicle audio products.
1994	• Appointed by PERODUA to supply audio systems for PERODUA's Kancil models. • Entered into an agreement with Usahasama Proton-DRB Sdn Bhd to design, develop and manufacture vehicle radios with cassette platers for PROTON Satria models.
1995	• Acquired land in Rawang and commenced building the Rawand Factory.
1996	• Certified compliant to Quality Management System ISO 9002:1994 by SIRIM Berhad and MS ISO 9001:2000 by SIRIM QAS Sdn Bhd
1997	• Commenced the D&D and manufacturing of vehicle radios for MBF Peugeot Sdn Bhd • Commenced commercial operations in Rawang Factory
2003	• Commenced the D&D and manufacturing of vehicle radios for Naza Automotive Manufacturing Sdn Bhd
2008	• Certified compliant to ISO/TS 16949:2002 by SIRIM QAS International Sdn Bhd
2010-2011	• Granted pioneer status by MITI
2011-2014	• Certified compliant to ISO/TS 16949:2009 by SIRIM QAS International Sdn Bhd
2018-2021	• Certified compliant to IATF 16949:2016 by SIRIM QAS International Sdn Bhd
2019	• Upgraded Rawang Factory
2021	• Launched vehicle infotainment systems with our proprietary platform

Source: Betamek Berhad

Substantial Shareholders and Key Management

1. Mirzan Bin Mahathir – Managing Director
Mirzan Bin Mahathir is the Managing Director and Promoter of the Group, responsible for overall strategic direction and major capital expenditures. He was previously Chairman of Dataprep Holdings Berhad from 1991 to 2006 and served as Executive Chairman and President of Konsortium Logistik Berhad from 1992 to 2007. His earlier

career includes roles with IBM World Trade Corporation, Salomon Brothers Inc., and Petron. He holds a Bachelor of Science in Computer Science and an MBA from The Wharton School, University of Pennsylvania.

2. Muhammad Fauzi Bin Abd Ghani – Executive Director
Muhammad Fauzi Bin Abd Ghani was appointed to the Board on 7 December 2021 and is responsible for overseeing the Group's corporate and financial matters. He previously served as Chief Financial Officer of Sapura Telecommunications Berhad and Konsortium Logistik Berhad, and was later appointed Group Managing Director of Dataprep Holdings Berhad from 2013 to 2015. His career also includes roles in FGV Holdings Berhad and other listed companies. He is a member of the MIA and the MICPA, and holds an MBA from Ohio University, USA.

3. Shahrel Bin Mohd Zain – Chief Operating Officer (COO)
Shahrel is responsible for the Company's day-to-day operations, including operational strategy, manufacturing efficiency, and technological integration. He joined the Company in 2024 as Chief Operating Officer. He has more than 30 years of experience in engineering, manufacturing, factory automation, and operational leadership across multinational corporations in the semiconductor and electronics industries. He holds a Bachelor of Science in Physics from Rutgers, The State University of New Jersey, United States of America.

4. Nor' Azrin Bin Nusi – Chief Financial Officer (CFO)
Nor' Azrin Bin Nusi was appointed as Chief Financial Officer in August 2021 and is responsible for financial reporting, treasury, taxation, and human resource functions of the Group. He is a Fellow of the ACCA and a member of the MIA. His prior experience includes positions at Tradewinds (M) Berhad and Padiberas Nasional Berhad. He holds a Master of Business Administration.

5. Tay Yoke Theng – General Manager, Head of Procurement and Administration
Tay Yoke Theng is responsible for overseeing procurement and administrative functions within the Group. She joined the Group in 1990 as a Purchasing Executive and has since held various positions within the procurement function before being promoted to her current role in 2018. She holds a LCCI qualification in bookkeeping and accounts.

6. Safuan Bin Yusof – Chief Technology Officer
Safuan is responsible for the Group's day-to-day technology functions, including overseeing research and development, IT infrastructure, and digital transformation. He joined the Company in 2023 as Chief Technology Officer. He has more than 30 years of experience in technology, particularly in business process, data management, and project management across oil & gas, petrochemical, manufacturing, logistics, government, consulting, and automotive sectors. He holds an MPhil in Computer Speech and Language Processing from Cambridge University and a BEng (Hons) in Information System Engineering from Surrey University.

7. Safuan Bin Yusof – General Manager, Head of Business Development
Ts. Muhammad Wafie is responsible for the Group's business development functions, including strategy, partnerships, and market expansion. He joined the Company in 2025 as General Manager and Head of Business Development. He has over 7 years of experience in consulting, telecommunications solutions, and regional business development. He holds a Bachelor of Engineering Technology (Hons) in Data Communication and is a certified Professional Technologist (Ts.) in ICT.

Fig #3 SWOT analysis of BETA

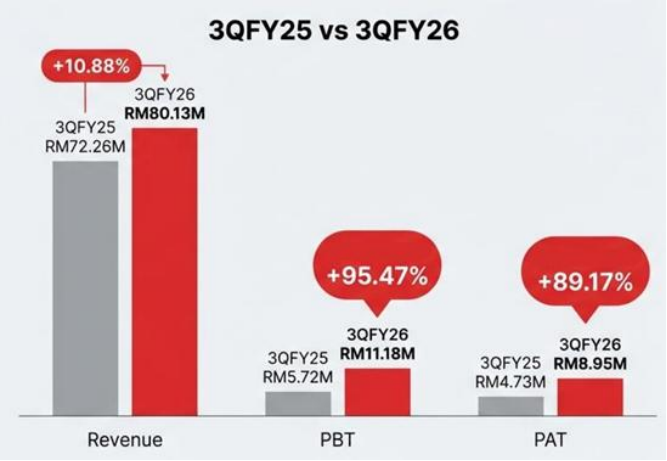
Strength	Weakness
• Dominant OEM relationship with Perodua (~82% revenue); RM176M 6-year contract secured • Net cash balance sheet (RM60.2M net cash) with near-zero leverage • Industry-leading dividend yield ~10% — superior capital returns vs peers • Rapid margin expansion: GP margin from 15.8% (FY25) to 20.7% (9M FY26) • Dual manufacturing facilities with capacity ramp-up optionality	• Extreme customer concentration: Perodua still 82% of revenue — binary risk • Product concentration in audio/visual (64% revenue); limited portfolio breadth vs peers • No formal long-term pricing protection; margin subject to OEM annual re-negotiation • Export markets and EV ecosystem revenues are nascent and unproven • Relatively small market cap limits institutional liquidity on ACE Market
Opportunity	**Threat**
• Malaysia TIV growth to 1M units by 2030; Perodua backlog of 85K units provides near-term demand pull • EV registration growth +105.7% YoY — Betamek's EVCC/SECC products directly address this • Export market diversification (ASEAN): 2% to 10% YoY — potential to reach 25% in 3-5 years • In-flight & in-train IFE market via Pecca Aviation MOU — new recurring revenue stream • Rawang 2-shift capacity unlock in FY27 — revenue potential without proportionate capex	• US tariff escalation / trade war could disrupt automotive supply chains and dampen TIV • Perodua new model cycle risk — delayed launches directly compress Betamek's volumes • Rising raw material (PCB, semiconductors) costs could erode GP margin expansion • Chinese EV OEMs entering Malaysia could fragment P2's market share; indirect risk to Betamek • Currency risk on export revenue (USD/MYR) and imported component costs

Source: M+ Research

Financials

Revenue and income highlights. The Group demonstrated significant financial velocity during the 9-month period ending in FYE 2026, with a total revenue of RM209.5m, marking a 17.32% year-on-year increase. This growth was largely propelled by a 3QFY26 performance surge where revenue reached RM80.1m, driven by higher sales in vehicle audio/visual products which now account for 63.85% of total revenue. Most notably, operational leverage has driven a massive bottom-line expansion. PAT for the 9-month period surged by 89.17% to RM20.1m compared to the previous year. This profitability is supported by a substantial expansion in GP margins, which rose from 15.8% in FY2025 to 20.7% in the first nine months of FY2026 due to manufacturing efficiencies and an optimized product mix.

Fig #4 BETAMEK's 3Q26 financial highlights



Balance sheet. The Group maintains an exceptionally liquid financial position that serves as a primary pillar of its investment thesis. Betamek currently holds a net cash position of RM60.2m (RM70.2m in cash against RM10m in borrowings), which represents approximately 25% of its total market capitalization. This high level of liquidity and near-zero gearing allows the Group to pursue a generous capital allocation strategy, currently offering a dividend yield of 6.67%.

Cash flow. Cash flow stability is anchored by a RM176m 6-year contract with Perodua, which ensures predictable inflows through the end of the decade. This steady stream of cash allows the Group to simultaneously reward shareholders with a 6.67% YTD dividend yield while reinvesting in operational excellence, such as the upcoming transition to full 2-shift cycles at the Rawang plant by FYE 2027 to optimize unit costs

Earnings forecasts. Going forward, we project a 2-year earnings CAGR of 19.5%, with core PATMI reaching RM28.2m-35.9m over FY26f-27f. This growth will be supported by (i) rising Malaysia's Total Industry Volume (TIV), with Perodua being one of the dominant players, (ii) improving GP margins on the back of more favrouable product mix, coupled with manufacturing efficiencies, and (iii) diversification effort into EV and aviation sectors.

Fig #5 Financial Highlights

FYE Mar (RM m)	FY23	FY24	FY25	FY26f	FY27f
Revenue	205.7	222.0	238.3	278.3	305.3
EBITDA	27.2	29.6	36.1	41.4	51.4
EBIT	23.0	25.5	30.9	36.2	46.2
PBT	22.4	26.4	32.0	37.1	47.2
PAT	16.3	20.0	25.1	28.2	35.9
PATMI – Core	16.3	20.0	25.1	28.2	35.9
PATMI – Reported	16.3	20.0	25.1	28.2	35.9
% change YoY – Core PATMI	-	23.1%	25.4%	12.4%	27.1%
Core EPS (sen)	3.58	4.40	5.52	6.20	7.88
P/E (x)	16.5	13.4	10.7	9.5	7.5
DPS (sen)	1.4	3.0	4.2	4.7	5.9
Yield (%)	2.3%	5.0%	7.1%	7.9%	10.0%
Net Gearing (%)	CASH	CASH	CASH	CASH	CASH

M+ Global Research

Valuation

At RM0.59, Betamek trades at approximately 10.7x FY25 and 9.5x FY26f earnings, which we believe inadequately captures (i) the quality of its Perodua anchor relationship and the newly secured RM176m contract, (ii) the visible margin expansion trajectory, and (iii) new venture into EV ecosystem initiatives.

Thus, we assign a fair value of RM0.865 per share for Betamek, indicating a 46.6% upside from the current price of RM0.59. This valuation is based on a P/E multiple of 11x pegged to FY27f EPS of 7.88 sen. Given the peer are trading at P/E multiples between 11x and 17x of their historical and forward P/E, respectively. Hence, we believe the assigned P/E multiple of 11x is fair. On a dividend yield basis, Betamek screens as one of the most compelling yielding stocks on the ACE Market at ~10% based on projected DPS of 5.9 sen in FY27f.

Fig #6 Peers comparison

Company Name	Ticker	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend	M+ Scoring Quality	M+ Scoring Momentum	M+ Scoring Combined
BETAMEK BHD	**BETA**	**0.590**	**268.4**	**10.7x**	**9.5x**	**19.5**	**10.5**	**Positive bias**	**Up**	**A**	**A**	**A**
MCE HOLDINGS BHD	MCEHLDG	1.480	223.2	11.5x	-	10.9	15.5	Positive bias	Up	A	D	B
NEW HOONG FATT HOLDINGS BHD	NHFATT	1.480	244.7	8.2x	-	5.1	11.8	Negative bias	Down	C	C	C
FEYTECH HOLDINGS BHD	FEYTECH	0.220	185.5	12.0x	-	4.2	8.1	Negative bias	Up	B	E	E
BETAMEK BHD	BETA	0.590	268.4	8.9x	-	19.5	10.5	Positive bias	Up	A	A	A
EP MANUFACTURING BERHAD	EPMB	0.495	141.8	9.0x	-	2.6	1.7	Positive bias	Up	B	A	A
KHPT HOLDINGS BHD	KHB	0.095	38.2	11.5x	-	6.0	3.3	Positive bias	Up	C	D	D
APM AUTOMOTIVE HOLDINGS BHD	APM	3.040	594.3	8.0x	-	5.2	3.7	Negative bias	Down	B	A	A
PECCA GROUP BHD	PECCA	1.480	1072.2	18.4x	17.0x	26.9	25.7	Negative bias	Down	A	A	A
Avg ex-BETAMEK BHD			**346.0**	**11.0x**	**17.0x**	**10.0**	**10.0**					

Source: Bloomberg, M+ Global Research

Investment risks

Customer concentration risk. Despite management's diversification efforts, Perodua still accounts for 82% of YTD FY2026 revenue. Any deterioration in Betamek's vendor status, loss of contract renewal, or a significant model-year gap in Perodua's production schedule would have an outsized impact on earnings.

Margin regression risk. The GP margin expansion from 15.8% to 20.7% is impressive but exposes Betamek to OEM cost-down pressures. Perodua's historically disciplined cost management means annual re-pricing discussions could compress margins, particularly if component input costs (PCBs, semiconductors) also rise.

Macro and TIV cycle risk. US tariff escalation and global trade uncertainties could dampen consumer sentiment and delay vehicle purchases, directly impacting Perodua's production volumes and Betamek's offtake. A 10% decline in Perodua volume translates to approximately 8% revenue decline for Betamek at current customer mix.

Execution risk on EV and new ventures. Both the EVCC/SECC collaboration and the Pecca Aviation MOU are early-stage. Converting these MOUs and collaborations into meaningful commercial revenues requires navigating regulatory approvals, product certification, OEM qualification processes, and potentially significant R&D spending. There is real risk that these ventures remain peripheral rather than transformational.

Liquidity risk. Betamek trades on the ACE Market with a market capitalisation of approximately RM268.4m. Daily trading liquidity may be insufficient for institutional investors to build or exit meaningful positions without market impact, limiting the institutional investor base and potentially sustaining a valuation discount.

Environmental, Social and Governance (ESG) Practices

Environmental (E):
Betamek received the MGSA 2025 Elite Award for Sustainability Integration Framework, reflecting its commitment to embedding ESG into operational processes. Energy efficiency measures, responsible e-waste management and GHG reduction initiatives are in place across its manufacturing sites.

Social (S):
The Group maintains structured workplace safety protocols and active safety training programmes. Investment in digital and leadership skills development underpins its human capital strategy, while export market expansion broadens economic contribution beyond domestic supply chains.

Governance (G):
Betamek complies with Bursa Malaysia's ACE Market Listing Requirements. Transparent financial reporting, consistent quarterly dividends and the public presentation of FY2026 YTD financials demonstrate a commitment to investor communication. We would encourage the Group to formalise its ESG reporting framework with quantitative KPIs in the near term.

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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