Aquawalk Group Berhad (0380)

Shaping the Future of Ocean Experiences

By Tan Jia Hui / jiahui@tradeviewcapital.my

Subscribe

Target Price: RM 0.45 (+45%)

Current Share Price: RM 0.31

Valuation

Our target price is based on:

DCF valuation with TG of 1.0% and WACC of 8.8%. We forecast stronger earnings growth driven by short-term government initiatives and the long-term revenue contribution from Aquaria KLCC as well as future regional expansion.

IPO Note | **Growth** | **Investment Horizon : 12 months**

We recommend a Subscribe rating for Aquawalk Group Berhad (Aquawalk), with a target price of RM0.450, representing a 45% upside. Aquawalk Group Berhad is a large-scale aquarium and visitor-attraction operator with existing proven sites in KLCC, Phuket and Jakarta. We favour Aquawalk for its (i) proven high-traffic locations and premium footfall capture, (ii) scalable regional expansion strategy, and (iii) strong operating leverage that converts incremental visitors into margin expansion and cash for dividends.

Ride the Visit Malaysia 2026 Tailwind

Aquawalk KLCC stands to benefit from Visit Malaysia 2026, which includes an individual tax relief of up to RM1,000 for entrance fees, a RM700mn promotional allocation and extended visa free access for China and India. Ticket prices remain affordable versus peers (Sea Life Malaysia & Underwater World Langkawi), at RM55 for local adult and RM75 for foreign adult, with 20–30% discounts for third party platforms, which collectively contributed for half of total visitors historically. Part of IPO proceeds will fund upgrades including a new penguin exhibit, expected to complete in 2H 2026, followed by a RM5 ticket hike. With 1.3mn visitors in 2024, we project footfall to rise 10.1% to 1.4mn in FY26F, driven by Visit Malaysia 2026 and new attractions. Coupled with the price hike, we project FY26F Aquaria KLCC ticketing sales of RM80.5mn, 25.0% above FY24.

Regional Footprint Expansion Backed by Proven Aquarium Model

Aquawalk will allocate RM39.6mn from IPO proceeds to develop an oceanarium in Kota Kinabalu with Qhazanah Sabah Bhd (60% stake), targeted to commence in 4Q 2028 near Suria Sabah, one of the largest malls in Sabah. Another RM17.3mn will fund its Java, Indonesia project, expected to commence in 4Q 2026 within an existing Jawa Timur's themepark. With management guidance of 200,000 to 250,000 annual visitors to break even, we forecast 250,000 visitors for Kota Kinabalu in FY29F–FY30F, implying ticket sales of about RM15.0mn, and about 300,000 visitors for Java in FY27F–FY30F, implying ticket sales of RM9.7mn to RM11.0mn. Note the Java footfall is 44% lower than Jakarta Aquarium Safari (40% owned associate) based on management guidance that themepark traffic there is relatively lower but stable. Overall, we view the expansion as positive, reflecting management's ambition to replicate its success regionally and diversify revenue, while also remaining open to M&A opportunities in Langkawi, Bangkok and the Philippines.

Structural Moat and Operating Leverage Underpin High Yield Case

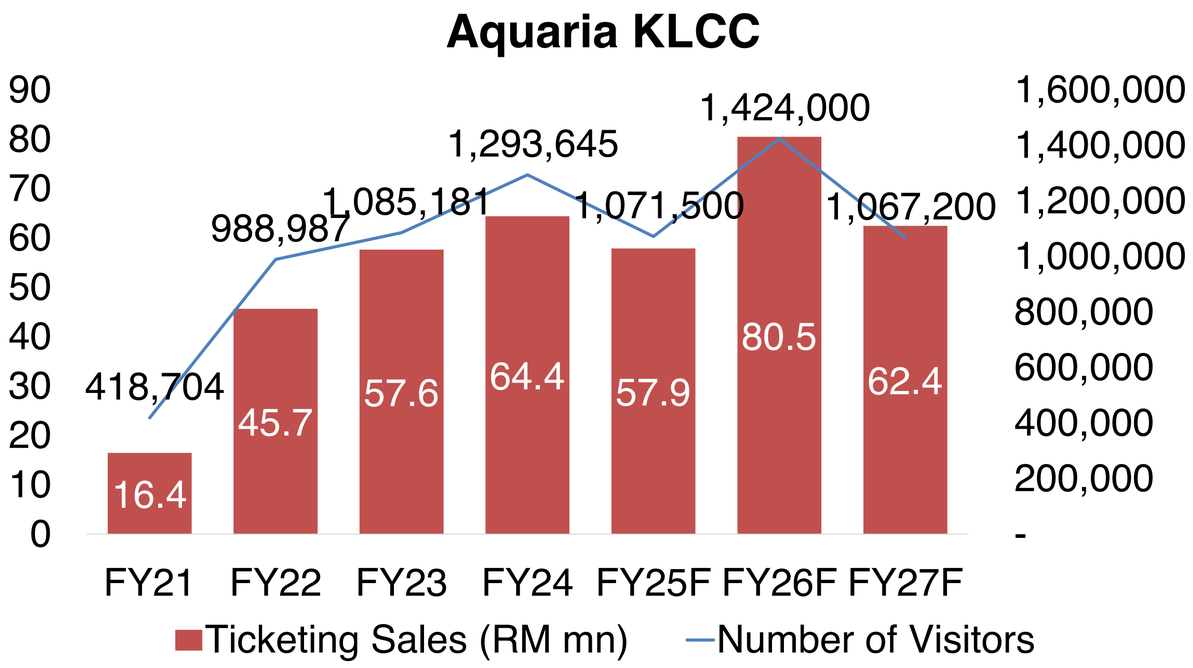
Aquawalk benefits from high barriers to entry due to limited prime locations, heavy upfront capital and lengthy regulatory approvals from multiple environmental and wildlife regulatory agencies, which supports its leading visitor position if Aquawalk sustains execution. The business exhibits positive operating leverage with high fixed costs and low variable costs per visitor. Therefore, any incremental visitors and ticket price hikes will flow directly to profit and margin expansion. Aquawalk is largely net cash in FY24 with RM35.2mn cash, RM7.7mn borrowings and an expected RM114.3mn IPO inflow. Management targets a 50% payout from a 30% policy that we view as achievable given low R&D needs and net cash position. Based on the IPO price of RM0.31 per share, we expect Aquawalk to deliver dividend yields of 3.2% to 4.5% over FY25F to FY27F, with further upside from new sites or M&A.

Investment Thesis

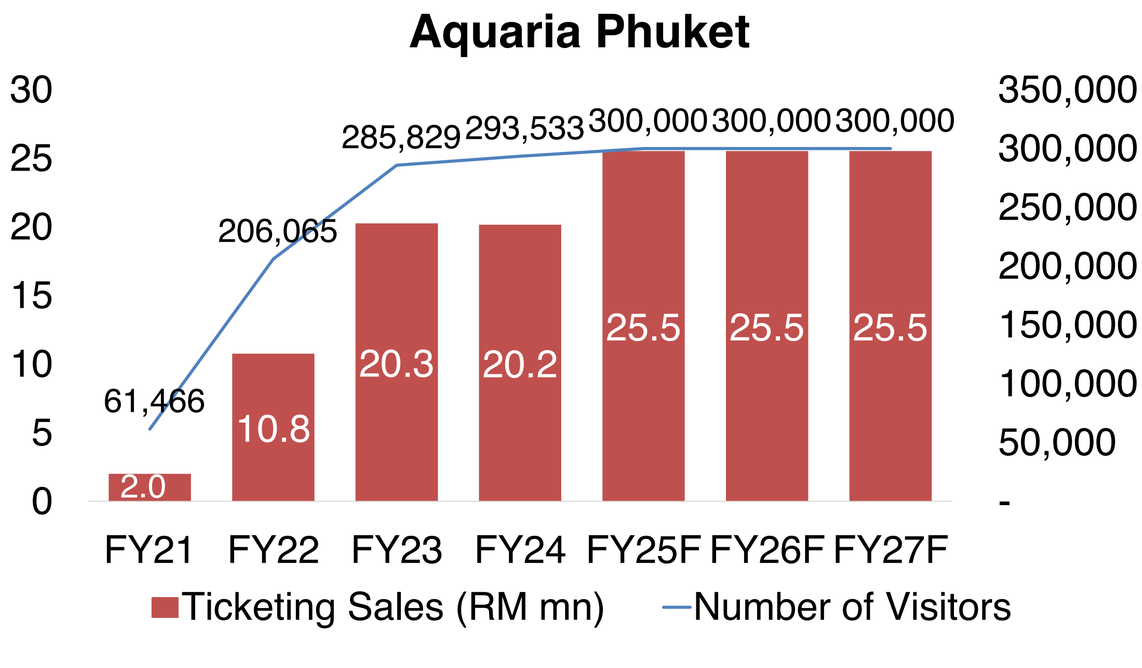
Visit Malaysia 2026 Catalyst and Planned Ticket Price Hike

Aquawalk KLCC is one of the most prominent visitor locations in KLCC and is well positioned to benefit from Visit Malaysia 2026. Under Budget 2026 the government announced an individual income tax relief of up to RM1,000 for entrance fees to local attractions and cultural programmes. The government also allocated RM700mn to promote Visit Malaysia 2026 and extended visa free access for tourists from China and India. These initiatives should collectively benefit Aquawalk KLCC which sits in one of Malaysia's prime tourist locations. Aquawalk's ticket prices are RM55 for local adult, RM45 for local child and senior citizen, RM75 for foreign adult and RM65 for foreign child and senior citizen. Notably, Aquawalk provides an additional 20–30% discount for third-party ticketing platforms, which had contributed approximately 50% of total visitor traffic historically. These prices are among the most affordable in Malaysia compared with peers such as Sea Life Malaysia and Underwater World Langkawi. Aquawalk also plans to use part of IPO proceeds to upgrade and add attractions at Aquaria KLCC. A key upgrade is a new penguin tank exhibit with interactive visitor points and photography stations. Following the completion of the upgrade in 2H2026, we expect a ticket price hike at Aquaria KLCC, based on management's guidance to raise prices by around RM5, in line with management's guidance to adjust pricing upon the introduction of new attractions. In short, an affordable price, a best-in-town location and a popular new attraction should boost visitors. Aquaria recorded 1.3mn visitors in 2024 with roughly half local and half foreign visitors. Leveraging Visit Malaysia 2026, we project Aquaria KLCC's footfall to reach a maximum daily capacity at around 8,000 visitors per day during holidays and average 3,600 visitors on weekdays, surpassing its historical daily average of 3,000 visitors, implying an estimated 1.4mn annual visitors in FY26F. This represent a 10.1% increase on FY24 footfall. Coupled with the expected price hike, we project FY26F Aquaria KLCC ticketing sales of RM80.5mn, 25.0% higher than FY24. Post FY26F, we expect footfall to normalise back to the usual daily average of 3,000 visitors, while revenue should remain above the FY25F level due to the expected ticket price hike in FY26.

Aquarium	Local - Adult	Local – Child	Local - Senior	Foreign - Adult	Foreign – Child	Foreign - Senior
Aquaria KLCC	RM55	RM45	RM45	RM75	RM65	RM65
Sea Life Malaysia	RM89	RM69	RM69	RM104	RM83	RM83
Underwater World Langkawi	RM50	RM39	RM39	RM62	RM50	RM62



Source: : Company Prospectus, Tradeview Research

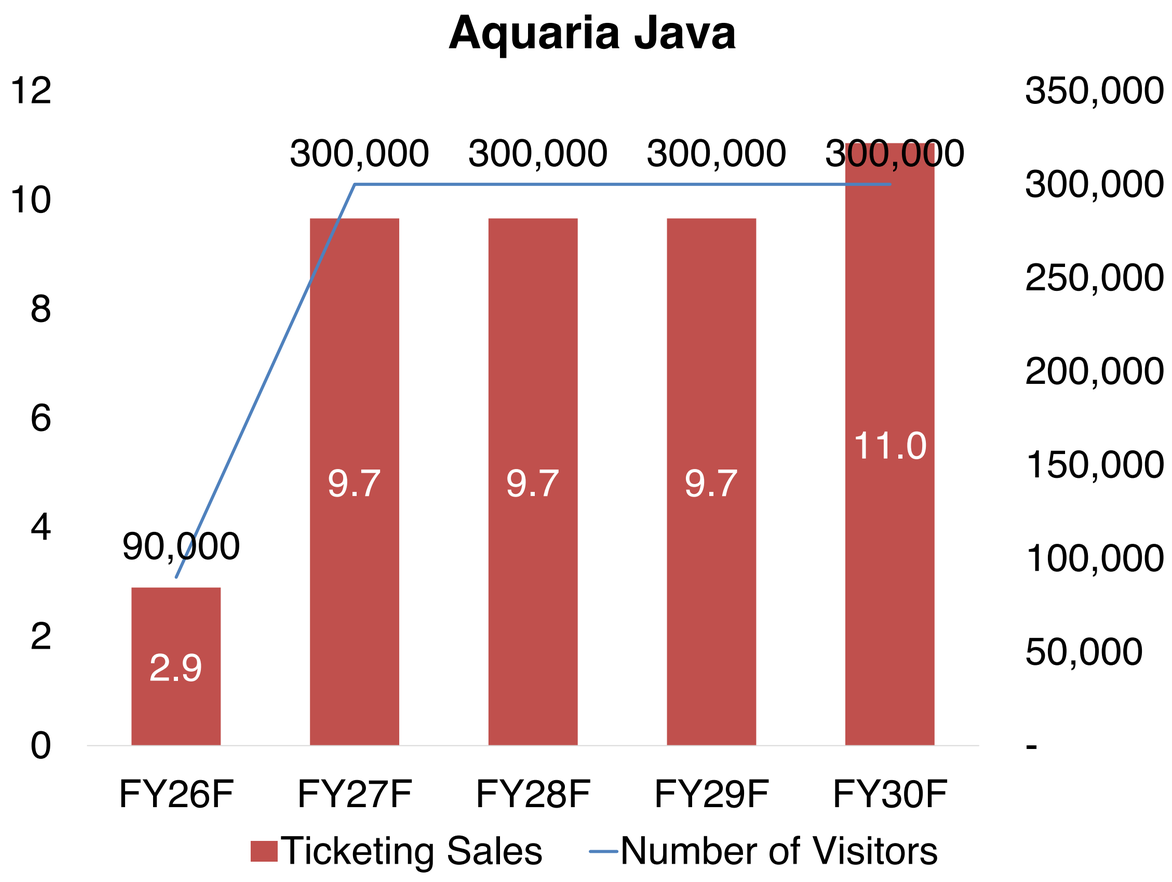


Source: Company Prospectus, Tradeview Research

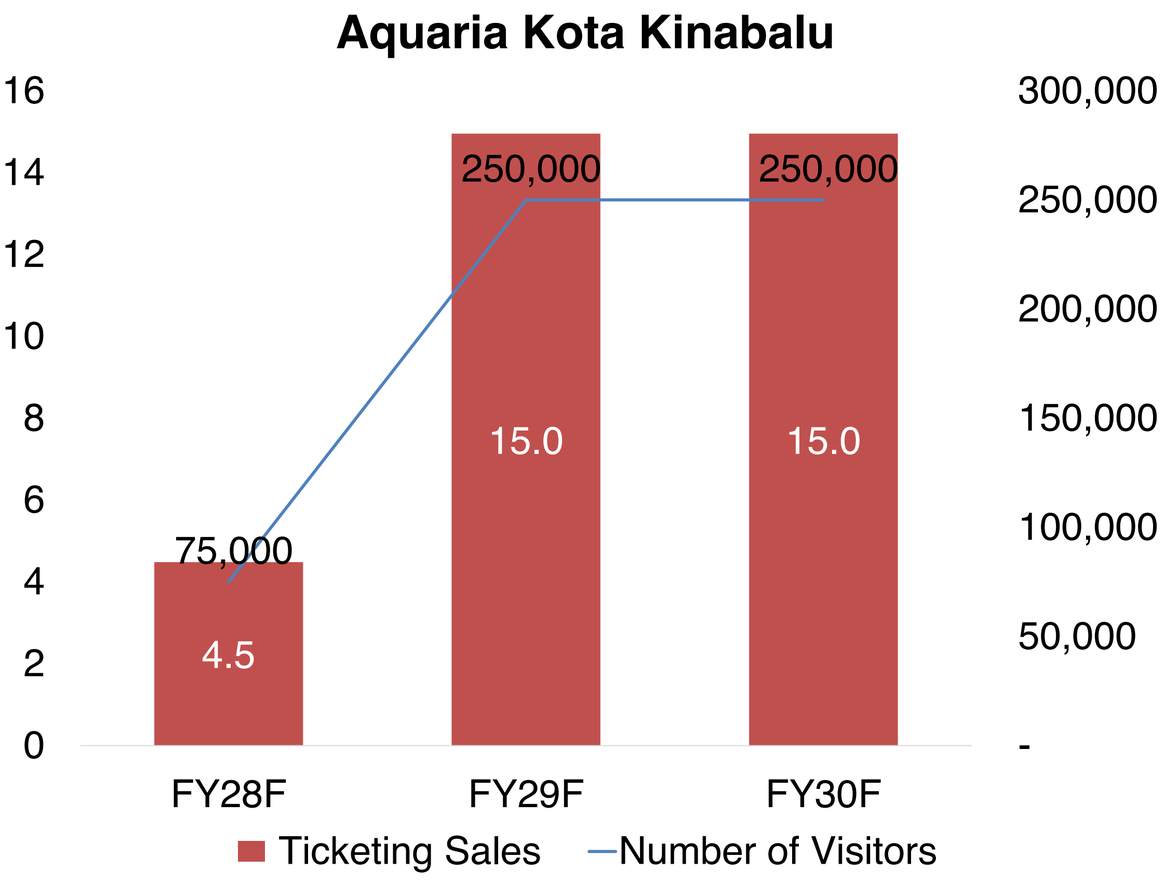
Regional Expansion to Scale Aquawalk Platform

Aquawalk plans to use RM39.6mn from IPO proceeds to develop an oceanarium in Kota Kinabalu as a JV with Qhazanah Sabah Bhd, with Aquawalk holding a 60% stake. The oceanarium will be near Suria Sabah and is expected to commence in 4Q 2028. We view this location as strategic because Suria Sabah is one of the largest and most visited malls in Sabah. In addition, Aquawalk plans to use RM17.3mn from IPO proceeds to expand into Java, Indonesia, with commencement expected in 4Q 2026. Required capital is lower for the Java project because the aquarium will be located inside an existing themepark owned by Jawa Timur Park Group. Management guidance states each aquarium requires only 200,000 to 250,000 annual visitors to break even. We forecast a stable visitor count of around 250,000 for Aquawalk Kota Kinabalu over FY29F to FY30F, representing ticketing sales of around RM15.0mn due to its proximity to Suria Sabah and stable footfall. For Aquawalk Java we expect around 300,000 visitors over FY27F to FY30F, representing ticketing sales of RM9.7mn to RM11.0mn by leveraging existing themepark footfall. However, the footfall is 44% lower than Jakarta Aquarium Safari (40%-owned associate)'s FY24 annual footfall of around 530,000, based on management's guidance that theme park traffic is relatively lower and has stabilized. In short, we view the expansion positively because it expresses management's ambition to leverage success at Aquawalk KLCC, Phuket and Jakarta to expand geographically and diversify revenue streams. Management also said they are open to M&A with strategic aquariums located in Langkawi, Bangkok and the Philippines as an alternative to purely organic growth.

Investment Thesis



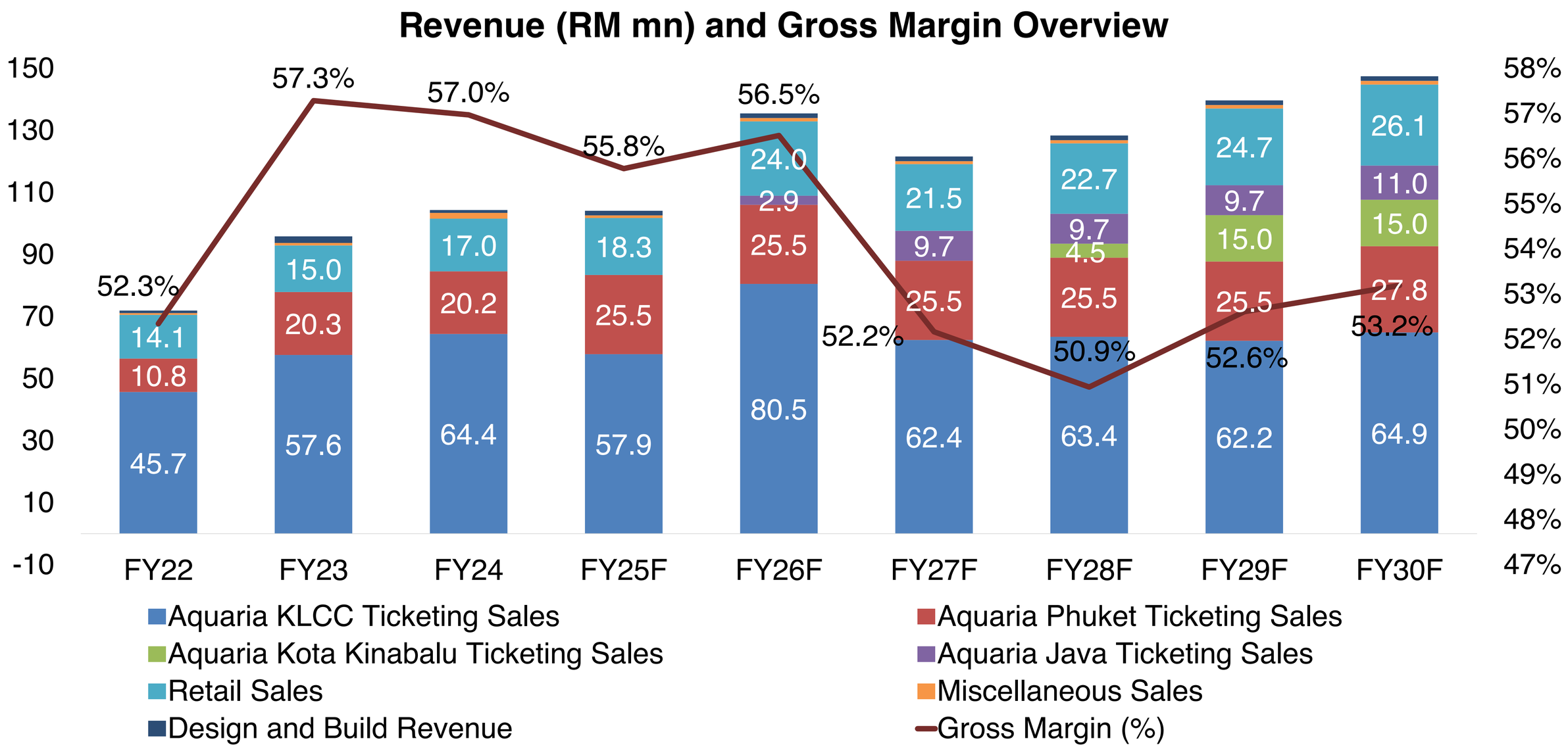
Source: : Company Prospectus, Tradeview Research



Source: Company Prospectus, Tradeview Research

Cash Rich, Debt Free and Payout Focused: Blue Chip in the Making

We believe Aquawalk has a solid position in Malaysia's large scale exhibit industry because potential entrants face limited supply of prime locations, high initial capital investment and lengthy development timelines. Licences and permits are required and management must frequently deal with agencies such as the Department of Wildlife and National Parks Peninsular Malaysia, the Department of Fisheries and relevant agencies in each country of operation. These obligations create high barriers to entry and help support Aquawalk's leading visitor position if Aquawalk sustains its status. More importantly, aquawalk exhibits positive operating leverage because operations carry high fixed costs such as depreciation on right of use assets and property, plant and equipment as well as facility costs while variable costs per visitor such as rental are relatively low. As noted by management, each aquarium needs approximately 200,000 to 250,000 visitors annually to reach break even. Any additional visitors beyond this threshold or ticket price hikes therefore contribute directly to profit expansion and margin improvement, showing scalability in the business model. Due to high depreciation, Aquawalk is liquid and holds a significant cash balance. Aquawalk has a dividend policy of 30% and management is pushing to 50%. We believe the 50% target is achievable, as Aquawalk requires limited R&D investment for expansion, is in a net cash position in FY24, and has only RM7.7mn in total bank borrowings and RM35.2mn in cash as of FY24, with an additional RM114.3mn in IPO proceeds expected post-listing. In short, we believe Aquawalk could emerge as a future blue chip, offering dividend yields of 3.2–4.5% over FY25F–FY27F based on the IPO price of RM0.31 per share, with further upside potential from new site openings or M&A opportunities.



Source: : Company Prospectus, Tradeview Research

Company Overview

Founded in October 2001 by the late Terence O'Boyle to develop an aquarium beneath the Kuala Lumpur Convention Centre, adjacent to the Petronas Twin Towers, Aquawalk Malaysia Sdn Bhd launched Aquaria KLCC in 2005, now recognised as Malaysia's leading public aquarium and one of Asia's top five. Dato' Simon, who joined as Director in 2004 and became Managing Director in 2006, led the Group through the completion of Aquaria KLCC and subsequent regional expansion. Through capital injections and acquisitions, he and his related entities became the controlling shareholders, steering the Group towards sustainable growth. In 2009, Aquablu Technologies was established to provide aquarium development and consultancy services, followed by the incorporation of Aquawalk Thailand in 2015 which developed Aquaria Phuket, opened in 2019 and recognised by the Thailand Tourism Authority as a major tourist attraction. In 2016, the Group expanded into Indonesia through Aquawalk Singapore, a joint-venture investor in Jakarta Aquarium & Safari (JAQS), operational since 2017. Beyond commercial operations, Aquawalk actively promotes marine education and conservation through collaborations with Chulalongkorn University and Malaysia's Ministry of Education. Today, the Group stands as a leading regional developer and operator of aquaria and artificial ecosystems across Southeast Asia, supported by ISO 9001-certified operations in Malaysia and Thailand and a strong commitment to education, sustainability, and visitor experience excellence.

Our Group's principal activities	Operations and development of our Group's own aquaria			Design, development and maintenance of new or third-party aquaria
Our Group's operations	**Ticketing sales**	**Retail sales**	**Miscellaneous sales**	**Design, development and maintenance**
	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[(i)]

Utilisation of Proceeds

Purposes	RM'mn	%	Estimated timeframe for utilisation from the listing date
Capital expenditure	89.8	78.6	48 months
IT systems improvements	3.0	2.6	36 months
Working capital	14.5	12.7	36 months
Estimated listing expenses	7.0	6.1	1 months

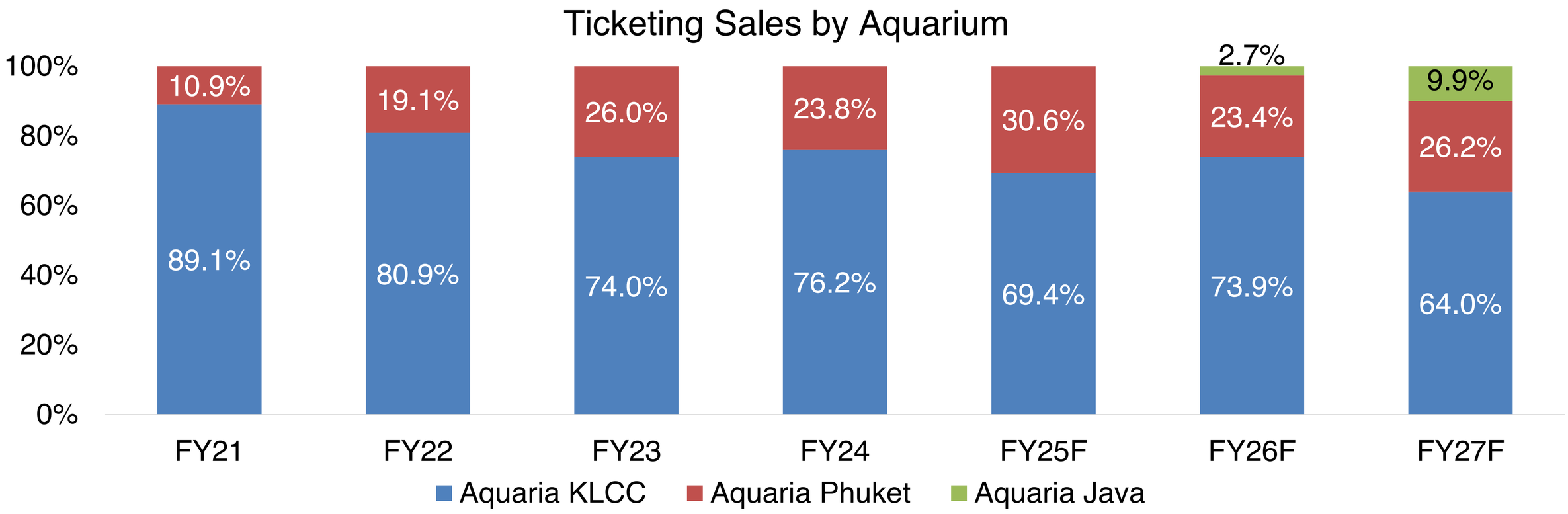
Source: Company Prospectus, Tradeview Research

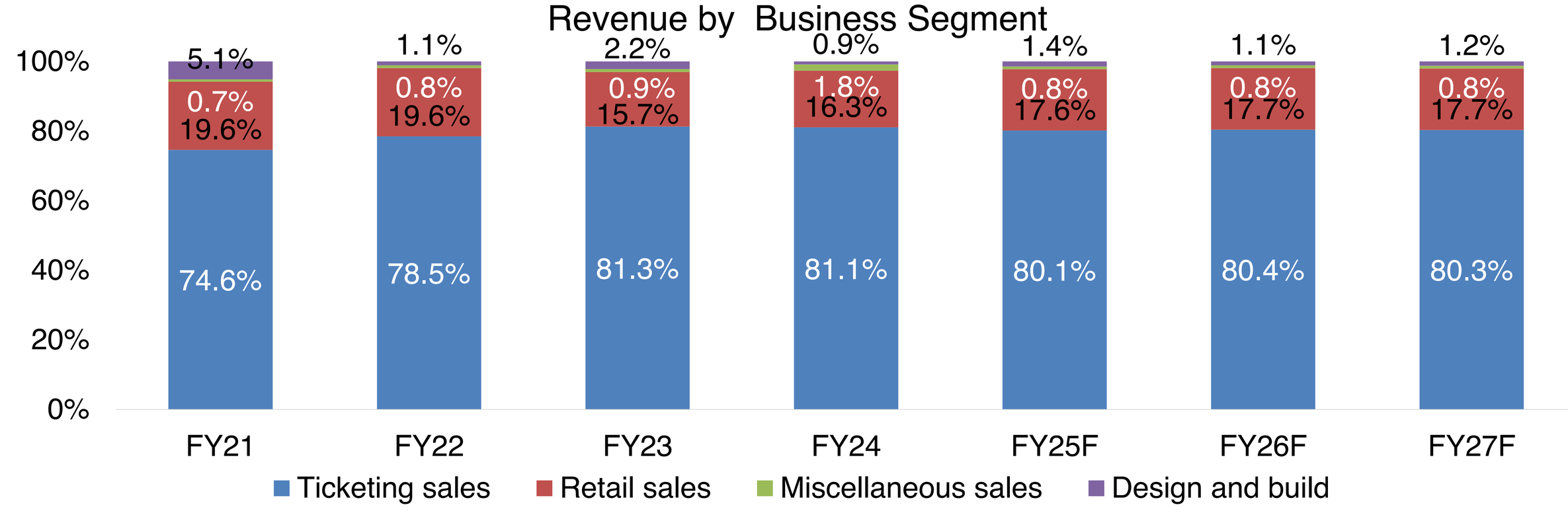
Company Overview

Business Segment

Segments	Services	Visualization	
Operations and development of aquaria	• Ticketing Sales – Direct sales to visitors, Sales through third-party platforms and resellers, and Educational sales • Retail Sales - Third-party merchandise and Photography packages • Miscellaneous sales - Rental income, Concession sales, and Fish food sales	Aquaria KLCC	Aquaria Phuket
Design, development and maintenance of new or third-party aquaria	Undertaking projects encompassing consulting work to architectural conceptual and schematic design, for various customers from attraction operators to private facilities		

Source: Google, Tradeview Research





Source: Company Prospectus, Tradeview Research

Management Team

1. Dato' Simon is the Executive Chairman and substantial shareholder of the Group. 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. With over 40 years of experience across telecommunications, consumer, and tourism sectors, he joined Aquawalk Malaysia in 2004 and became Managing Director in 2006, leading the development of Aquaria KLCC, Aquaria Phuket and JAQS. He is a co-owner of Feliz Natur Sdn Bhd (50%) and Versatrad Agencies Sdn Bhd (50%). Feliz Natur also fully owns Vestmap Sdn Bhd. He also serves as Group Managing Director of Senja Aman Holdings and Non-Independent Non-Executive Chairman of InNature Berhad.

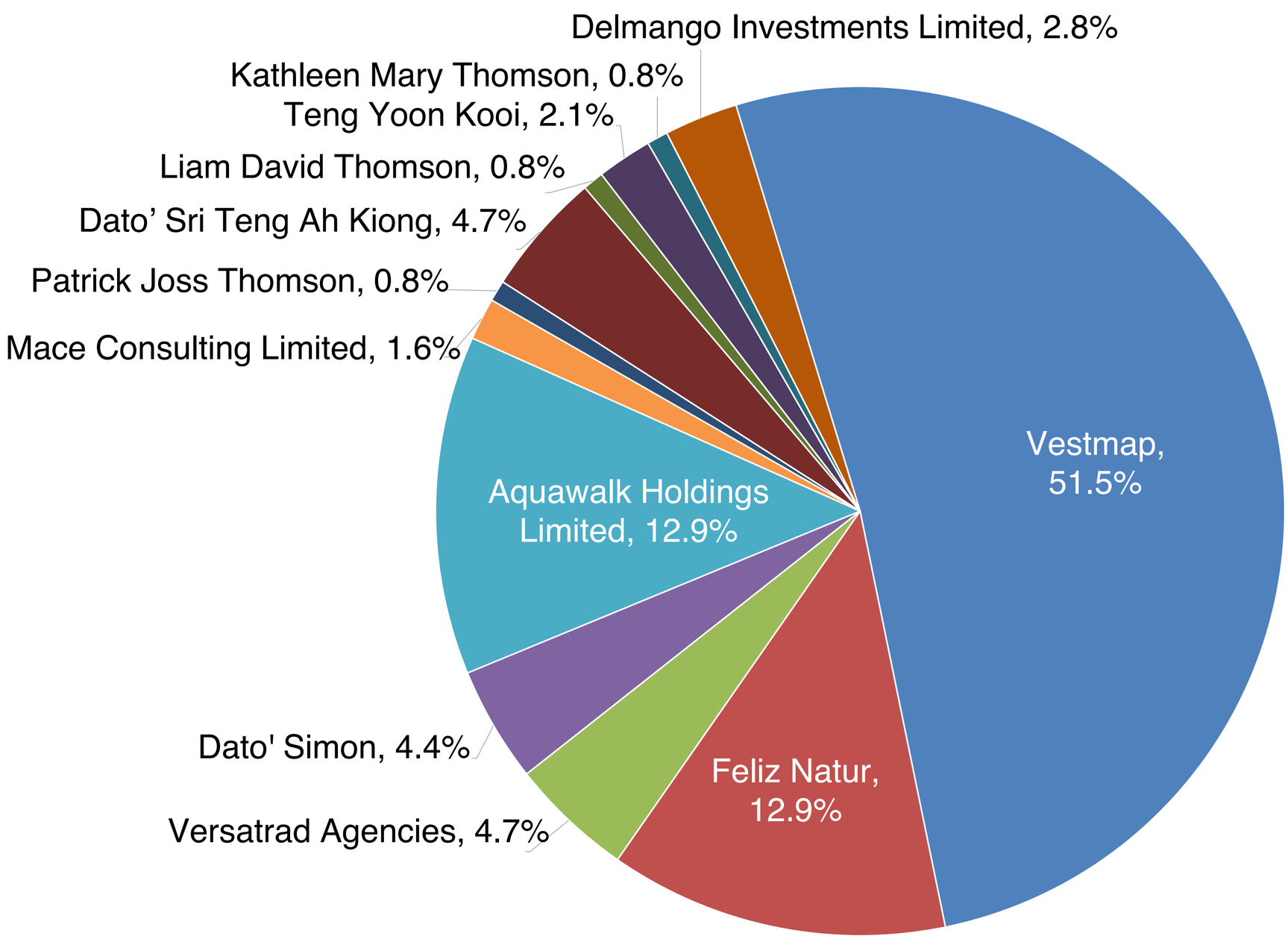
2. Mr Daryl Foong is the Executive Director and Group Chief Executive Officer. He holds a Bachelor's degree in Marketing from RMIT University, Australia, and has over 15 years of experience in marketing, retail operations and business development. He joined Aquawalk Malaysia in 2016, advancing to General Manager in 2018 and Executive Director in 2019 before being appointed Group CEO in 2024. He oversees the Group's operations, strategy and expansion, as well as its education and conservation initiatives.

3. Datin Mina is a substantial shareholder and Non-Independent Non-Executive Director. She holds a Bachelor of Science (Hons) in Computational Science and Management Studies from the University of Leeds, UK, and has over 40 years of experience in retail and cosmetics. She is the Managing Director of InNature Berhad, the regional franchisee of The Body Shop, leading its expansion into Vietnam and Cambodia. She is a co-owner of Feliz Natur Sdn Bhd (50%) and Versatrad Agencies Sdn Bhd (50%). Feliz Natur also fully owns Vestmap Sdn Bhd. Appointed to Aquawalk's Board in 2006, she provides strategic guidance on branding and sustainability.

4. Mr Henry Ooi is the Group Chief Corporate Governance and Finance Officer. He holds a Bachelor of Arts in Accounting and Finance from Sheffield Hallam University, UK, an MBA from the University of Strathclyde, and is a Fellow of ACCA and member of MIA. With nearly 20 years of experience in finance, audit and governance, he previously held senior roles at PwC, Genting Malaysia and Country Heights. He joined Aquawalk Malaysia in 2022, overseeing finance, corporate governance and internal control functions.

5. Ms Santhanamary John is the Chief Operating Officer of Aquawalk Thailand. She holds an MBA from the University of Wales Trinity Saint David, UK, and is a member of ACCA and MIA. With over 25 years of experience in finance and operations, she joined Aquawalk Malaysia in 2004 and was appointed COO of Aquawalk Thailand in 2024. She currently oversees the operations and management of Aquaria Phuket.

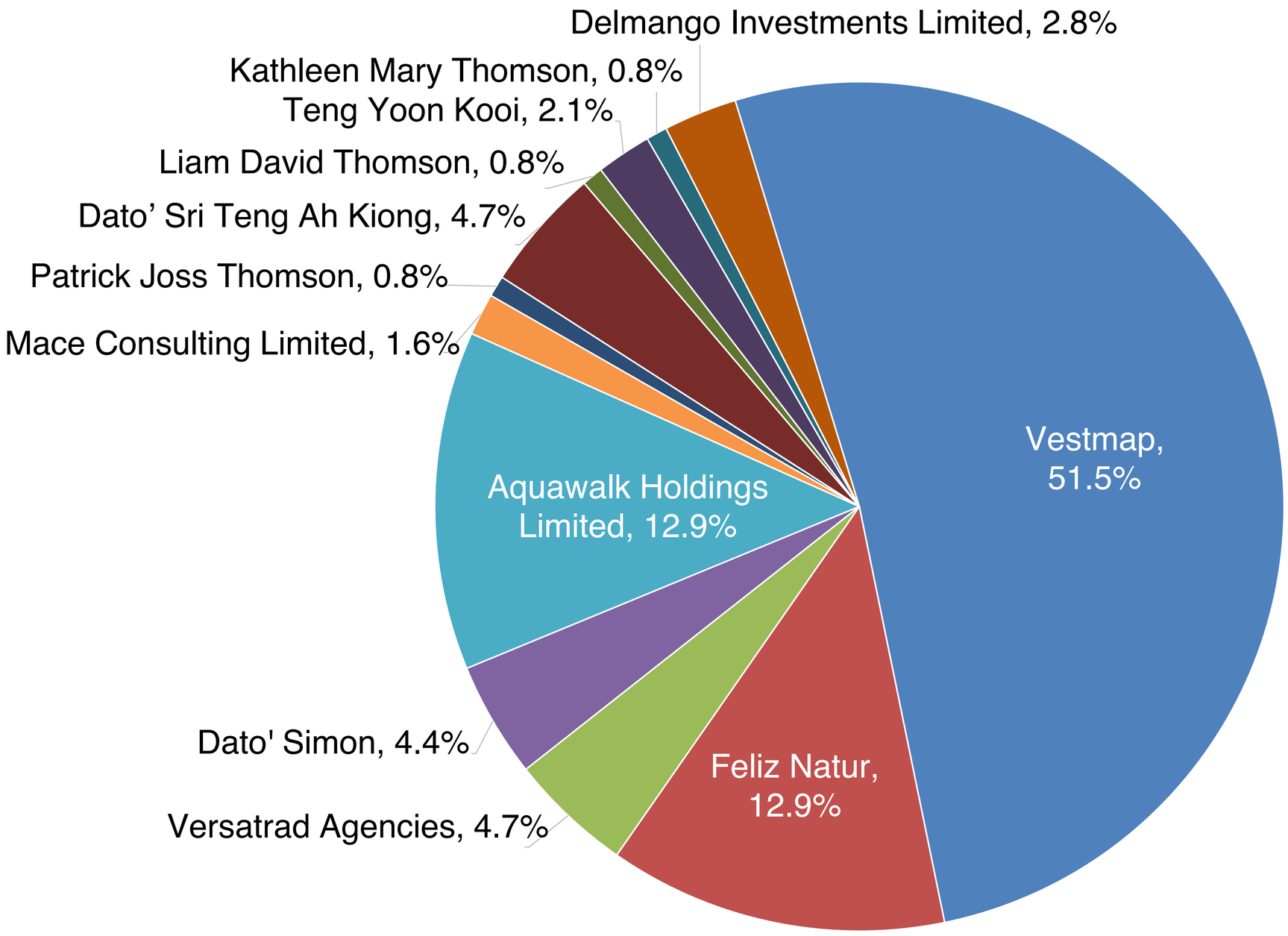
Shareholding Structure
Pre-IPO



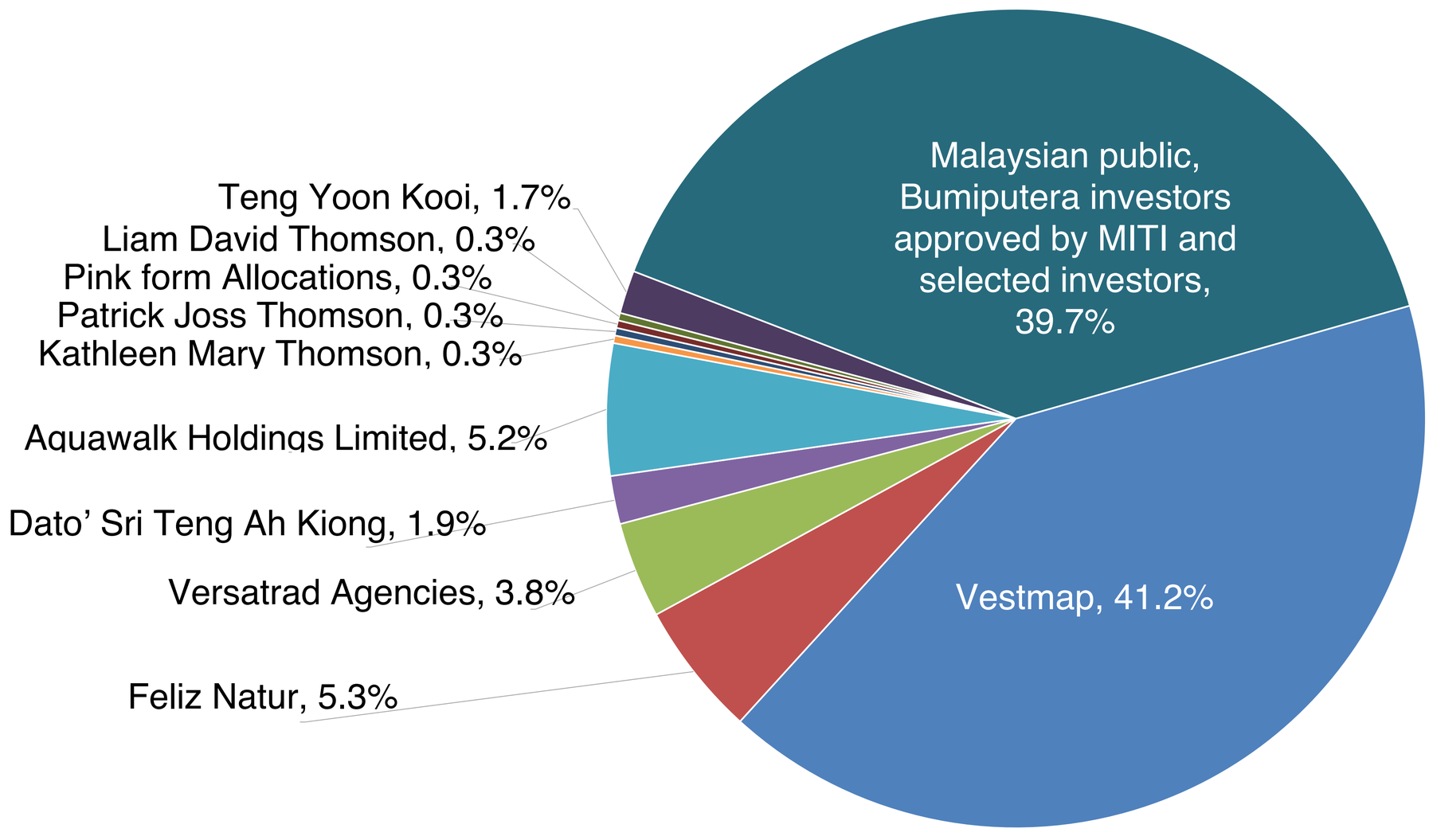
Source: Company Prospectus

Management Team

Shareholding Structure
Pre-IPO



Post-IPO

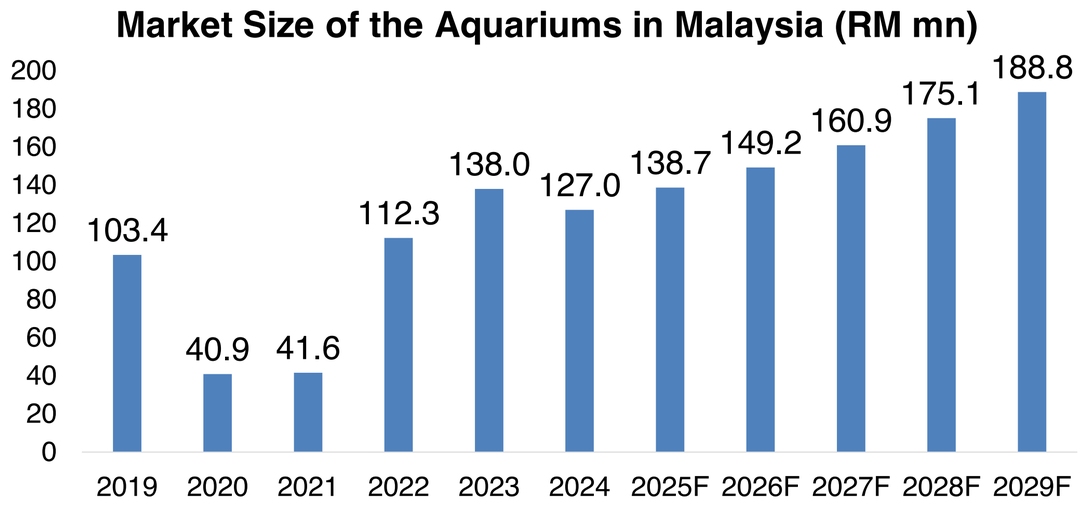


Industry outlook

Rebound of regional tourism underpins aquarium industry recovery

The sustained recovery of the tourism sector across Southeast Asia (SEA) serves as the key growth catalyst for the regional aquariums industry. Following the lifting of pandemic-related restrictions, international arrivals have surged in major markets such as Malaysia, Thailand, and Indonesia, driven by the reopening of borders, relaxed visa policies, and aggressive tourism promotion campaigns. Malaysia recorded 38.0mn tourist arrivals in 2024 while Thailand welcomed 35.0mn visitors. The tourism rebound has particularly benefited indoor attractions such as aquariums, which appeal to both international and domestic tourists seeking family-friendly and weather-resilient leisure options. Malaysia's government has allocated RM700mn under Budget 2026 for tourism revitalisation initiatives, including the "Visit Malaysia 2026" campaign, while Thailand and Indonesia continue to expand air connectivity and travel infrastructure. With tourist receipts rising steadily and average spending per visitor recovering, the industry is positioned to regain its pre-pandemic momentum, supporting sustained attendance growth and higher ancillary revenue from retail and F&B sales within aquariums.

Source: : Tourism Malaysia, TAT Thailand, BPS Indonesia



Source: Prospectus IMR Report

Growing preference for experiential and educational attractions

Shifts in consumer behaviour, particularly among younger demographics, have created stronger demand for experiential, educational, and conservation-based attractions. Visitors today seek immersive experiences that combine entertainment with learning and sustainability awareness. Aquariums in Malaysia, Thailand, and Indonesia are adapting by introducing interactive zones, digital displays, and live feeding demonstrations to enhance visitor engagement. The trend also aligns with rising environmental consciousness and school-based learning initiatives that promote marine education. Partnerships with government agencies and NGOs for conservation programmes such as coral restoration and marine research have improved the industry's reputation and differentiated aquariums from other leisure options like cinemas or theme parks. These features support repeat visitation and make aquariums a preferred destination for both domestic families and tourists. Furthermore, the year-round indoor nature of aquariums provides resilience against seasonality and weather disruptions, positioning them as stable contributors to the broader recreation industry's revenue base.

Rising consumer spending and urbanisation expands addressable market

The steady improvement in disposable income and urbanisation trends across SEA are broadening the addressable market for leisure and recreational activities. In Malaysia, mean monthly household disposable income rose from RM6,764 in 2019 to RM7,584 in 2024, while Indonesia's per capita income reached IDR54.5mn in 2023, supported by resilient GDP growth. These trends reflect an expanding middle class with stronger spending capacity and lifestyle preferences that prioritise family-oriented experiences. Urbanisation further amplifies this effect, with Malaysia's urban population now exceeding 78% and is growing at around 1.7% annually, while Thailand and Indonesia continue to see rising metropolitan density and retail integration. The proliferation of mixed-use developments, shopping malls, and transport hubs creates new opportunities for aquariums to position themselves within high-traffic urban ecosystems. As leisure spending rebounds and mall footfall normalises, aquariums located in city centres and tourist corridors are expected to capture a larger share of consumer expenditure, benefiting from the convergence of tourism, retail, and lifestyle demand.

Regional economic stability and policy support enhance growth prospects

The broader macroeconomic and policy environment in SEA remains conducive for sustained growth in the aquariums and leisure attractions sector. Based on IMR, Malaysia's GDP is projected to grow at 4.3% CAGR between 2023 and 2028, underpinned by domestic consumption and infrastructure spending, while Thailand and Indonesia are expected to expand by 2.8% and 5.0%, respectively. Tourism has been identified as a strategic pillar in all three economies, with increasing government investments in airports, rail networks, and tourism zones. Malaysia's National Tourism Policy 2020–2030, Thailand's Tourism Development Plan, and Indonesia's "10 New Balis" initiative collectively aim to diversify tourism offerings beyond beaches and resorts, creating opportunities for private investment in cultural and recreational facilities such as aquariums. Additionally, supportive policies like tax incentives, public-private partnerships, and simplified licensing frameworks encourage industry expansion. With rising investor interest and cross-border collaboration in leisure development, the aquariums industry is expected to maintain healthy long-term growth in attendance, ticket yield, and overall profitability.

Valuation

Recommending a **Subscribe** rating and a target price of RM0.45 based on a DCF valuation (terminal growth rate of 1.0% and WACC of 8.8%) that captures its stable cash flows and conservative growth assumptions. The target price of RM0.45 implying a FY26F P/E of 16.2x, which is -6.4% below the simple average of its foreign leisure and attraction peers' forward PE of 17.3x, justified by Aquawalk's much smaller market capitalisation.

We like Aquawalk for its predictable ticketing revenue and low incremental capex for targeted rollouts. Key growth drivers include (i) Visit Malaysia 2026 and the KLCC attraction upgrade with a RM5 price hike, (ii) regional expansion via the Kota Kinabalu JV and the Java themepark aquarium, and (iii) positive operating leverage that converts incremental visitors into margin expansion and cash for dividends.

FYE 31 Dec (RM mn)	FY2024A	FY2025F	FY2026F	FY2027F	FY2028F	FY2029F	FY2030F
Adj. EBITDA	66.2	59.6	82.3	72.9	74.9	81.4	85.2
Adj. EBITDA*(1-tax rate)	50.3	45.3	62.5	55.4	56.9	61.8	64.7
(-) Working Capital Investments (WC Inv)	(2.1)	(6.2)	2.8	1.7	1.8	0.0	0.3
(-) CAPEX	(2.6)	(3.2)	(47.0)	(36.9)	(8.5)	(5.0)	(5.0)
FCFF	45.5	35.9	18.3	20.2	50.2	56.9	60.0
Discounted FCFF	43.7	33.1	16.2	17.1	40.9	44.4	45.0

Terminal Value	772.8
PV of Terminal Value	427.1
NPV	240.4
(-) Net Debt	(7.7)
Equity Value of Firm (RM mn)	659.8
No of shares (mn)	1,843.0
Fair value per share (RM)	**0.45**
Implied 2026F PE (x)	**16.2**
Risk-free (Rf)	3.5%
Beta	1.1
WACC	8.8%
Terminal Growth Rate	1.0%

Peer Comparison

Name	Last price	Market Cap	FYE	Earnings Growth			PE (x)		Div. Yield	ROE
		('mn)		1-yr Fwd	2-yr Fwd	Hist.	1-yr Fwd	2-yr Fwd	1-yr Fwd	Hist.
Domestic Leisure and Attraction										
ONLY WORLD GROUP HOLDINGS BHD	0.25	114.7	06/2025	N/A	N/A	1.6	N/A	N/A	N/A	N/A
Foreign Leisure and Attraction										
SIX FLAGS ENTERTAINMENT CORP	21.17	8,985.4	12/2024	211.2	81.0	N/A	22.9	12.6	N/A	-3.9
UNITED PARKS & RESORTS INC	46.00	10,607.5	12/2024	16.0	9.7	10.2	9.6	8.7	N/A	-67.1
HAICHANG OCEAN PARK HOLDINGS LTD	0.72	5,128.4	12/2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Simple Avg				**117.2**	**45.6**	**10.6**	**17.3**	**11.3**	N/A	**-35.5**
AQUAWALK GROUP BHD	0.31	571.3	12/2024	-27.8	24.1	10.0	13.9	11.2	3.2	51.4

As 5th November 2025

SWOT Analysis

Strengths
- Prime flagship site in KLCC with high tourist footfall
- Strong operating leverage
- Affordable ticket pricing that supports volume.

Weakness
- High fixed costs create sensitivity to demand shocks.
- Heavy reliance on KLCC for a large share of revenue.
- Dependence on foreign tourists

Opportunities
- Visit Malaysia 2026
- New projects in KK and Java diversify revenue base.
- Strong rebound in inbound tourists

Threat
- Tourist flows depend on geopolitical stability and airline capacity.
- Execution risk and timeline slippage on new builds..
- Regulatory or animal welfare constraints that increasing costs or causing delays.

Investment Risk

1. Dependence on positive publicity. Aquawalk's ability to attract visitors depends on public perception of its aquaria, brand reputation, and industry sentiment. Any accidents, illnesses, or environmental incidents could trigger negative media or social media coverage, reduce attendance, and harm profitability.

2. Exposure to tourism and economic cycles. Economic downturns, geopolitical tensions, pandemics, natural disasters, or rising travel costs can reduce discretionary spending and visitor arrivals, leading to lower headcount, ticket yield, and retail sales across its aquaria.

3. Regulatory and licensing dependency. The operation of aquaria requires multiple licenses and permits to exhibit, import, and maintain animals. Although renewals have been consistent, any failure or delay in obtaining or renewing these approvals could disrupt operations and adversely affect financial performance.

Financial Overview

Financial review

Aquawalk's revenue saw a 20.4% CAGR from FY22 to FY24, mainly driven by tourism recovery and normalization after pandemic lockdowns. In FY24 specifically, Aquawalk's revenue surged by 8.9%, supported by a 19.2% increase in Aquaria KLCC visitor footfall which translated into a RM6.8mn or 11.7% YoY rise in Aquaria KLCC ticketing sales. Meanwhile, FY24 core earnings jumped 35.6% YoY, primarily because Aquawalk recorded an abnormally low effective tax rate of 9.0%, a RM4.9mn reduction in tax expense to RM4.5mn from RM9.4mn in FY23, due to prior-year overprovisions and higher non-taxable income comprising dividend income and gain on disposal of subsidiaries.

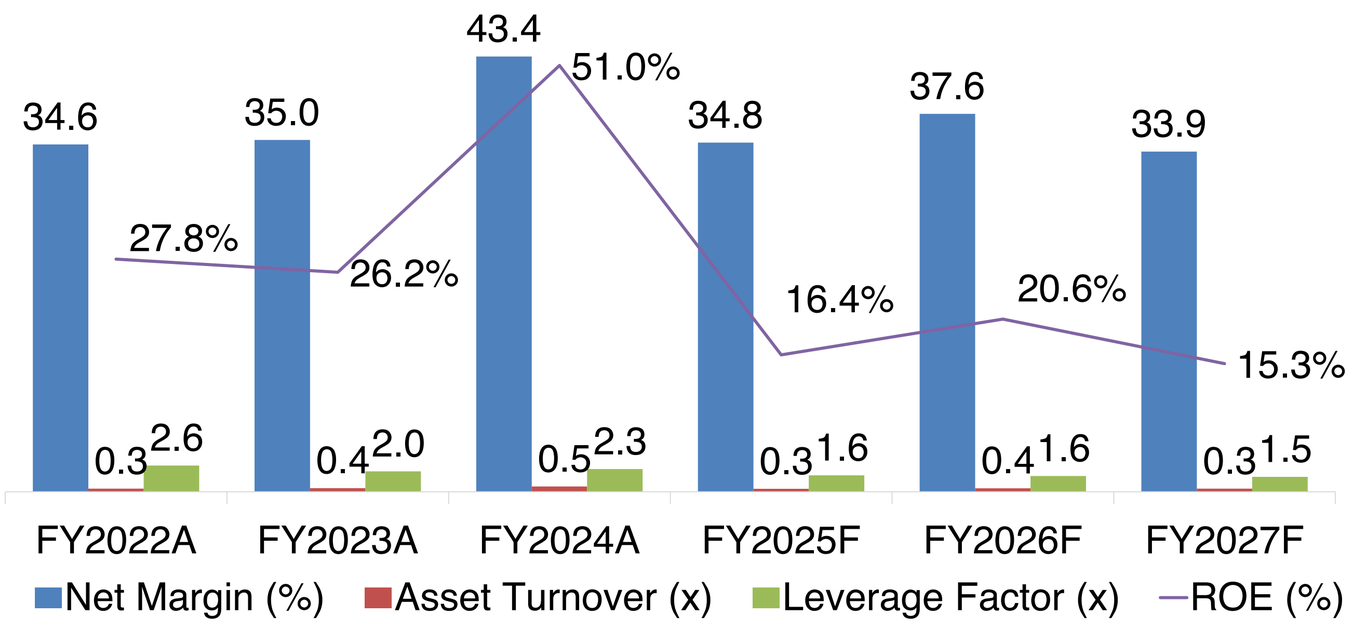
Financial forecast

We're projecting Aquawalk's core earnings to be RM41.1mn in FY25F after the effective tax rate normalizes to 24% and RM51.0mn in FY26F. The growth in FY26F is driven by (i) higher ticketing revenue at Aquaria KLCC from Visit Malaysia 2026 tailwinds and the planned RM5 price step up after the penguin tank upgrade, (ii) contribution from existing overseas operations in Phuket (expected price hike in 2025) and Jakarta which have stabilized post-pandemic, and (iii) sustainable margin from positive operating leverage as visitor traffic continues to grow.

FYE 31 Dec	FY2023A	FY2024A	FY2025F #	FY2026F	FY2027F
Revenue (RMmn)	95.8	104.3	104.1	135.5	121.6
EBITDA (RMmn)	60.6	66.2	59.6	82.3	72.9
Pretax profit (RMmn)	43.3	50.1	48.3	68.6	56.8
Net profit (RMmn)	33.6	45.2	36.2	51.0	41.2
EPS (sen)	2.3	3.1	2.0	2.8	2.3
PER (x)	13.6	10.0	13.9	11.2	13.9
Core net profit (RMmn)	33.6	45.5	41.1	51.0	41.2
Core EPS (sen)	2.3	3.1	2.2	2.8	2.2
Core EPS growth (%)	74.9	35.6	-27.8	24.1	-19.2
Core PER (x)	13.6	10.0	13.9	11.2	13.9
Net DPS (sen)	0.0	5.7	1.0	1.4	1.1
Dividend Yield (%)	0.0	18.5	3.2	4.5	3.6
ROE (%)	26.4	51.4	16.6	21.1	16.1
P/BV (x)	3.6	5.2	2.6	2.3	2.1

EPS and DPS are divided by the enlarged issued share of 1,843,000,000 upon listing

DuPont Analysis



We project healthy ROE from FY25F to FY27F, as the company continues to generate good profits. The dip in FY26F is mainly attributed to a lower net margin resulting from a normalized effective tax rate, as well as an increase in shareholders' equity following the IPO exercise.

Key Assumptions

Revenue growth	FY2025F	FY2026F	FY2027F
Aquaria KLCC Ticketing Sales Growth	-10.1%	39.1%	-22.4%
Aquaria Phuket Ticketing Sales Growth	26.6%	0%	0%

Sensitivity Analysis

Case 1 : Changes in Aquaria KLCC Number of Visitors against Aquaria KLCC Ticket Price for Local Adult to derive earnings

Aquaria KLCC Number of Visitors in FY26F: 1.4mn

Aquaria KLCC Ticket Price for Local Adult in FY26F: RM59.00

Aquaria KLCC Number of Visitors (' mn) / Aquaria KLCC Ticket Price for Local Adult (RM)	1.2	1.3	1.4	1.5	1.6	1.7
55	43.6	46.8	50.1	53.2	56.4	59.6
57	44.0	47.2	50.5	53.6	56.9	60.1
59	44.3	47.6	51.0	54.1	57.4	60.6
61	44.7	48.0	51.4	54.6	57.9	61.2
63	45.1	48.4	51.9	55.1	58.4	61.7
65	45.5	48.8	52.3	55.5	58.9	62.3

Case 2 : Changes in WACC against terminal growth rate to derive target price

WACC: 8.8%

Terminal growth rate: 1.0%

WACC (%)/ Terminal growth rate(%)	7.8	8.3	8.8	9.3	9.8	10.3
0.7	0.50	0.47	0.44	0.41	0.39	0.37
0.8	0.50	0.47	0.44	0.42	0.39	0.38
0.9	0.51	0.48	0.45	0.42	0.40	0.38
1.0	0.51	0.48	0.45	0.42	0.40	0.38
1.1	0.52	0.48	0.45	0.43	0.40	0.38
1.2	0.53	0.49	0.46	0.43	0.41	0.39

Financial Exhibits

Income Statement

FYE 31 December (RMmn)	FY2022A	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Revenue	71.9	95.8	104.3	104.1	135.5	121.6
Operating expenses	(25.2)	(35.2)	(38.1)	(44.5)	(53.2)	(48.6)
EBITDA	**46.7**	**60.6**	**66.2**	**59.6**	**82.3**	**72.9**
Depreciation & amortisation	9.2	11.3	11.8	11.0	13.4	15.8
EBIT	**37.5**	**49.2**	**54.4**	**48.6**	**68.9**	**57.1**
Net int income/(expense)	(5.5)	(6.0)	(4.3)	(0.3)	(0.3)	(0.3)
Exceptional gains / (losses)	5.7	0.0	(0.3)	(4.9)	0.0	0.0
Associates' contribution	2.8	3.8	5.4	5.9	5.9	5.9
Pretax profit	**32.0**	**43.3**	**50.1**	**48.3**	**68.6**	**56.8**
Tax	(6.4)	(9.4)	(4.5)	(11.6)	(16.5)	(13.6)
Minority interest	0.0	0.0	0.0	0.0	0.4	1.4
Net profit	**24.9**	**33.6**	**45.2**	**36.2**	**51.0**	**41.2**
Core net profit	**19.2**	**33.6**	**45.5**	**41.1**	**51.0**	**41.2**

Balance Sheet Statement

FYE 31 December (RMmn)	FY2022A	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Fixed assets	152.7	149.1	138.8	172.7	206.3	227.5
Other long term assets	24.2	19.9	14.9	14.9	14.9	14.9
Total non-current assets	**177.0**	**169.0**	**153.6**	**187.6**	**221.2**	**242.3**
Cash and equivalents	39.5	61.3	35.2	157.4	143.9	138.6
Inventories	0.0	0.0	0.0	0.3	0.5	0.4
Receivables	16.2	22.7	11.0	15.8	20.5	18.4
Other current assets	1.4	7.9	0.5	0.5	0.5	0.5
Total current assets	**57.1**	**91.8**	**46.7**	**174.1**	**165.4**	**158.0**
Payables	32.1	29.2	28.1	27.1	34.7	34.2
Short term borrowings	10.8	10.6	7.7	7.7	7.7	7.7
Other current liabilities	11.9	13.7	9.9	10.0	10.0	10.1
Total current liabilities	**54.8**	**53.4**	**45.7**	**44.8**	**52.4**	**52.1**
Long term borrowings	17.2	7.9	0.0	0.0	0.0	0.0
Other long term liabilities	72.6	71.5	65.9	95.8	87.2	79.2
Total long term liab.	**89.8**	**79.4**	**65.9**	**95.8**	**87.2**	**79.2**
Shareholders' Funds	**89.4**	**128.0**	**88.7**	**221.1**	**247.0**	**269.0**
Minority Interest	**0.0**	**0.0**	**0.0**	**0.0**	**0.4**	**1.8**

Cash Flow Statement

FYE 31 December (RMmn)	FY2022A	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Pretax Profit	32.0	43.3	50.1	48.3	68.6	56.8
Depreciation & amortisation	9.2	11.3	11.8	11.0	13.4	15.8
Working capital changes	(2.6)	(4.3)	(2.1)	(6.2)	2.8	1.7
Cash tax paid	(6.6)	(10.3)	(11.6)	(11.6)	(16.5)	(13.6)
Others	(4.8)	(1.7)	(6.2)	(0.2)	(0.4)	(0.3)
C/F from operation	**27.2**	**38.4**	**42.0**	**41.3**	**67.9**	**60.4**
Capex	(0.8)	(1.5)	(2.6)	(3.2)	(47.0)	(36.9)
Others	1.3	(2.4)	36.5	0.0	0.0	0.0
C/F from investing	**0.5**	**(3.9)**	**33.9**	**(3.2)**	**(47.0)**	**(36.9)**
Debt raised/(repaid)	(12.7)	(16.6)	(16.1)	(5.9)	(8.6)	(7.8)
Dividends paid	0.0	0.0	(84.5)	(18.1)	(25.5)	(20.6)
Others	3.8	3.1	(1.1)	108.1	(0.3)	(0.3)
C/F from financing	**(8.8)**	**(13.5)**	**(101.7)**	**84.1**	**(34.4)**	**(28.7)**
Net change in cash flow	**18.9**	**21.0**	**(25.8)**	**122.2**	**(13.5)**	**(5.3)**
Free Cash Flow	**26.4**	**36.8**	**39.4**	**38.1**	**20.9**	**23.4**

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TRADING SELL: Total stock return expected to below -10% over a 6-month period

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