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Malacca Securities
Building Wealth Together

EITA Resources Berhad

Stronger FY25 But Below Our Expectations

Results Note – 4QFY25

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BUY (from HOLD)

Share price	**RM0.505**
Target price	**RM0.580**
Previous TP	**RM0.580**
Capital upside	14.9%
Dividend return	3.4%
Total return	18.3%

Summary

- **Earnings below expectations.** EITA registered a 4QFY25 core PAT of RM1.5m (vs. 3Q25: -RM0.4m and 4Q24: -RM3.8m), bringing its FY25 core PAT to RM13.9m (+48.1% YoY). The results came in slightly below expectations, accounting for 91.5% and 92.7% of our and consensus full-year estimates. The key deviation is mainly due to lower-than-expected earnings in the High-Voltage System segment.

- **YoY.** EITA's revenue increased 27.8% YoY, led by revenue surge in the High-Voltage System (+160.8%), Marketing & Distribution (+17.4%) and Manufacturing (+3.7%) segments. Meanwhile, core PAT turned positive, from -RM3.8m in 4QFY24 to RM1.5m in 4QFY25, thanks to the lower losses in High-Voltage segment and stronger profits in the other three segments. For FY25, the core PAT improved by 48.1% from RM9.4m to RM13.9m.

- **QoQ.** Meanwhile, revenue rose 28.5% QoQ to RM132.8m, again thanks to the High-Voltage System (+53.0%), Marketing & Distribution (+26.6%), and Manufacturing (+26.0%) segments. Core PAT also turned positive, from -RM0.4m in 3Q25 to RM1.5m in 4Q25.

- **Losses continued to incur in High Voltage System segment.** Even though the High Voltage System segment recorded a sequential improvement in LBT, from -RM4.5m in 2QFY25 to -RM4.3m in 3QFY25, it is still a loss-making segment dragged by contract assets written off. Hence, while FY25 revenue came in above our expectation, the losses in High Voltage System segment dragged the overall FY25 core PAT.

- **Manufacturing segment turned positive.** Despite recording a LBT of RM3.0m in 3QFY25, Manufacturing segment turned profitable in 4QFY25, recording a PBT of RM2.2m, mainly due to higher reversal on allowance for doubtful debts and higher fair value gain on derivative.

- **Outlook.** Management remains cautiously optimistic, noting that the recently signed Agreement on Reciprocal Trade (ART) between Malaysia and the US has no adverse impact on the group as EITA does not export to the US. Meanwhile, with the ongoing projects in hand, management expects operational conditions to remain manageable. Barring any unforeseen challenges, the Board is cautiously optimistic about the group's financial performance for the upcoming 1QFY26.

Quarterly performance 4Q25

Quarterly performance FYE Sep (RM m)	4QFY24	3QFY25	4QFY25	QoQ (%)	YoY (%)	12MFY24	12MFY25	YoY (%)
Revenue	103.8	103.4	132.8	*28.5*	*27.8*	394.2	430.6	*9.2*
EBIT	(5.5)	(0.5)	3.4	*NM*	*NM*	13.3	19.9	*50.0*
PBT	(6.1)	(1.2)	2.7	*NM*	*NM*	10.5	16.9	*60.7*
Core PAT	(3.8)	(0.4)	1.5	*NM*	*NM*	9.4	13.9	*48.1*
Reported PAT	(3.8)	(0.4)	1.5	*NM*	*NM*	9.4	13.9	*48.1*
Core EPS (sen)	(1.3)	(0.1)	0.5	*NM*	*NM*	3.1	4.6	*48.1*
EBIT margin (%)	(5.2)	(0.5)	2.6			3.4	4.6	
PBT margin (%)	(5.9)	(1.2)	2.0			2.7	3.9	
Core PATMI margin (%)	(3.7)	(0.4)	1.2			2.4	3.2	

Source: EITA, M+ Research

Company profile

Primarily specializes in the manufacturing, marketing, distribution, and servicing of electrical and electronic (E&E) systems, including its proprietary elevator (EITA-Schneider®) and busduct (Furutec®) systems, serving clients across Malaysia, Southeast Asia, and the Middle East.

Stock information

Bursa Code	5208
Bloomberg ticker	EITA MK
Listing market	MAIN
Share issued (m)	301.8
Market Cap (m)	152.4
52W High/Low	0.735 / 0.475
Est. Free float (%)	26.4
Beta (x)	0.7
3-mth avg vol ('000)	110.3
Shariah compliant	Yes

Major shareholders	%
Ruby Technique Sdn. Bhd.	26.4
Sudut Kreatif Sdn. Bhd.	14.5
Jasa Simbolik Sdn. Bhd.	9.0

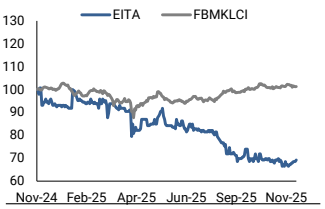
Share price vs. KLCI (%)

Hist. return	1M	3M	12M
Absolute	0.0	-3.8	-30.8
Relative	-0.3	-4.8	-31.7

Earnings snapshot

FYE (Sep)	FY25	FY26f	FY27f
PAT (m)	13.9	17.4	18.5
EPS (sen)	4.6	5.8	6.1
P/E (x)	10.9	8.8	8.2

Relative performance chart



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Valuation & Recommendation

- **Forecast.** Although the core PAT is below our estimate by 8.5%, we maintain our core PAT forecast of RM17.4m–18.5m for FY26f–27f, pending the upcoming meetup with the company's management

- **Upgraded to BUY (from Hold) with the same TP of RM0.58.** As the share price deteriorated ahead of the quarterly results, providing a greater capital upside, we upgrade our recommendation from Hold to Buy on EITA with the same target price of RM0.58. The target price is derived based on a P/E ratio of 10.0x pegged to our FY26f EPS of 5.77 sen.

- **Downside risks.** Risks to our recommendation include prolonged weakness and continued losses in the High Voltage System segment. Meanwhile, competitive environment in both domestic and overseas construction and infrastructure sectors, coupled with unforeseen execution risks, may limit EITA's recovery moving forward.

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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