EITA Resources Berhad

Data Centre Contract Win in Johor

Newsbreak

- EITA Resources Berhad announced that its subsidiary, Eita Power System Sdn Bhd, has secured a contract worth RM40.9m for the supply and delivery of busduct systems for a data centre project located in Johor. The letter of award was accepted from a third party identified as "Company A." The contract is short-term and fast-tracked, scheduled to run from May 2026 to September 2026. This win is expected to contribute directly and positively to EITA's earnings for FY26, with no immediate impact on its share capital or shareholding structure.

M+ Global View

- We view this contract win positively, though it is neutral on earnings as it falls within our FY26 orderbook replenishment estimates. Nonetheless, this represents a crucial operational win that provides a vital volume cushion for the underperforming Busduct business under the Manufacturing segment, while solidifying EITA's presence in the lucrative Johor data centre infrastructure pipeline.

- The fast-track 5-month execution timeline ensures immediate earnings conversion that will heavily support the final quarter of the year (4QFY26). Assuming a conservative net profit margin of 5.0%-6.0%, this project is expected to contribute roughly RM2.0m-2.5m to the group's bottom line. As this targeted replenishment is already accounted for in our current assumptions, we make no changes to our existing FY26 core earnings forecasts or valuation targets.

Valuation & Recommendation

- **Forecast.** Maintained.

- **Upgraded to BUY with a same TP of RM0.52.** As the share price deteriorated ahead of this news, we upgraded our recommendation from Hold to Buy on EITA with an unchanged target price of RM0.52. The target price is derived based on a P/E ratio of 10.0x pegged to our mid-FY27f EPS of 5.19 sen.

Company Update

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BUY (from Hold)

Share price	**RM0.470**
Target price	RM0.520
Previous TP	RM0.520
Capital upside	10.6%
Dividend return	3.2%
Total return	13.8%

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)	141.9
52W High/Low	0.645 / 0.450
Est. Free float (%)	24.8
Beta (x)	0.6
3-mth avg vol ('000)	49.7
Shariah compliant	Yes

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

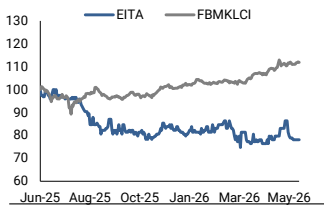
Share price vs. KLCI (%)

Hist. return	1M	3M	12M
Absolute	-2.1	-5.1	-22.3
Relative	1.1	-3.7	-30.4

Earnings snapshot

FYE (Sep)	FY25	FY26f	FY27f
PAT (m)	14.6	15.0	16.4
EPS (sen)	4.8	5.0	5.4
P/E (x)	9.7	9.5	8.7

Relative performance chart



Financial Forecast

All items in (RM m) unless otherwise stated

Balance Sheet

FYE Sep (RM m)	FY23	FY24	FY25	FY26f	FY27f	FY28f
Cash	61	68	65	89	105	122
Receivables	71	71	86	82	83	84
Inventories	50	64	56	61	62	63
PPE	44	44	43	37	31	26
Others	138	155	163	163	163	163
Assets	**363**	**403**	**413**	**432**	**444**	**458**
Debts	67	55	58	58	58	58
Payables	48	61	78	71	72	73
Others	34	48	37	37	37	37
Liabilities	**149**	**164**	**173**	**166**	**167**	**168**
Shareholder's equity	214	245	252	266	278	290
Minority interest	1	(6)	(11)	-	-	-
Equity	**214**	**239**	**241**	**266**	**278**	**290**

Cash Flow Statement

FYE Sep (RM m)	FY23	FY24	FY25	FY26f	FY27f	FY28f
Profit before taxation	13	10	17	25	25	26
Depreciation & amortis	6	6	6	6	6	5
Changes in working cap	(22)	(1)	9	(7)	(1)	(1)
Share of JV profits	0	0	(0)	(0)	(0)	(0)
Taxation	(6)	(7)	(8)	(10)	(9)	(8)
Others	(15)	(3)	(15)	-	-	-
Operating cash flow	**(24)**	**5**	**10**	**13**	**21**	**22**
Net capex	(3)	(2)	(2)	-	-	-
Others	(1)	(0)	(2)	-	-	-
Investing cash flow	**(4)**	**(2)**	**(3)**	**-**	**-**	**-**
Changes in borrowings	22	(13)	3	(0)	(0)	0
Issuance of shares	-	29	-	-	-	-
Dividends paid	(7)	(6)	(8)	(4)	(5)	(5)
Others	(6)	(6)	(5)	-	-	-
Financing cash flow	**10**	**4**	**(9)**	**(5)**	**(5)**	**(5)**
Net cash flow	**(18)**	**8**	**(3)**	**24**	**16**	**17**
Forex	(1)	1	0	-	-	-
Others	2	(0)	(0)	-	-	-
Beginning cash	77	61	68	65	89	105
Ending cash	61	68	65	89	105	122

Income Statement

FYE Sep (RM m)	FY23	FY24	FY25	FY26f	FY27f	FY28f
Revenue	**317**	**395**	**431**	**447**	**454**	**461**
EBITDA	22	19	27	34	34	35
EBIT	16	13	20	28	28	29
Net finance income/ (co	(2)	(2)	(3)	(3)	(3)	(3)
Associates & JV	(0)	(0)	0	0	0	0
Profit before tax	**13**	**10**	**17**	**25**	**25**	**26**
Tax	(6)	(7)	(8)	(10)	(9)	(8)
Net profit	**7**	**3**	**9**	**15**	**16**	**18**
Minority interest	3	6	6	-	-	-
Core earnings	**10**	**9**	**15**	**15**	**16**	**18**
Exceptional items	1	(1)	-	-	-	-
Reported earnings	11	9	15	15	16	18

Valuation & Ratios

FYE Sep (RM m)	FY23	FY24	FY25	FY26f	FY27f	FY28f
Core EPS (sen)	3.5	3.1	4.8	5.0	5.4	6.0
P/E (x)	13.5	15.1	9.7	9.5	8.7	7.8
EV/EBITDA (x)	1.7	2.0	1.4	1.1	1.1	1.1
DPS (sen)	2.2	2.1	2.5	1.5	1.6	1.8
Dividend yield	4.6%	4.5%	5.3%	3.2%	3.5%	3.8%
BVPS (RM)	0.7	0.8	0.8	0.9	0.9	1.0
P/B (x)	0.7	0.6	0.6	0.5	0.5	0.5
EBITDA margin	6.9%	4.8%	6.2%	7.6%	7.5%	7.5%
EBIT margin	5.0%	3.3%	4.7%	6.2%	6.3%	6.3%
PBT margin	4.1%	2.7%	4.1%	5.6%	5.5%	5.6%
Net margin	3.3%	2.4%	3.4%	3.3%	3.6%	3.9%
ROE	5.0%	4.1%	5.9%	5.7%	6.0%	6.4%
ROA	3.0%	2.5%	3.6%	3.6%	3.7%	4.0%
Net gearing	3.2%	CASH	CASH	CASH	CASH	CASH

Source: M+ Research

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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