EITA Resources Berhad

Recovery Anticipated In 2HFY26

Company Update

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Newsbreak

- **Weak 1HFY26 results, but recovery expected in 2H2026.** EITA registered 1HFY26 revenue of RM184.6m with PBT of RM6.2m and core PATMI of RM4.2m. Cumulatively, PBT fell 59.7% YoY due to losses in the Manufacturing segment as well as lower PBT from the Marketing and Distribution and Services segments. We expect recovery in 2HFY26 given the pipeline of infrastructure projects coming onstream.

- **High Voltage System segment turnaround.** The High Voltage System segment recorded an 80.5% YoY surge in revenue in 2QFY26 and returned to a marginal profit of RM58k, compared with a LBT of RM1.7m in the previous corresponding quarter. Management indicated that it will focus on higher-margin substation projects moving forward, which should help reduce the risk of recurring losses in this segment.

- **Strong infrastructure pipeline secured.** EITA secured multiple large-scale transport projects, including (i) ECRL (RM18m secured, 20 stations, expected completion Dec 2026), (ii) RTS Link between JB-Singapore (contract value ~RM40-50m, completion end-2026), (iii) LRT3 ongoing (RM67.5m, 66 lifts & 130 escalators), and (iv) KUTS Phase 1 in Kuching (RM19m).

- **Busduct segment riding DC boom.** Furutec Busduct is positioned for strong growth from the data centre buildout, particularly in Indonesia (DC projects), Singapore (government infrastructure buildings), and Malaysia (MRT, DC projects). The i-DC busduct, specifically designed for data centres, provides a competitive edge.

- **Growing recurring income base.** As at April 2026, EITA has 3,556 elevator units under maintenance out of 4,193 units handed over, indicating a high retention rate of ~85%. As EITA continues to deliver more elevator systems, this translates to growing recurring income with higher margins from the services segment.

- **Order book stands at RM352.9m.** The decline in order book from RM470.4m on 31Mar25 to RM352.9m in 31Mar26, reflects project completions and timing of new awards. Elevator manufacturing comprises 54.8% of the order book (RM193.4m), followed by High Voltage System at 21.3% (RM75.2m), and Busduct at 19.2% (RM67.6m). We expect the Group to secure more order book moving forward in view of ongoing infrastructure developments, data centre boom and industrialization trends happening both locally and overseas.

M+ Global View

- We remain fairly optimistic on EITA. While 1H FY2026 results were soft, we see multiple catalysts converging for EITA in the near-to-medium term. The company is uniquely positioned across Malaysia's infrastructure buildout cycle with exposure to transport (ECRL, RTS, LRT3, KUTS), power grid expansion (TNB substations), and the regional data centre boom (Furutec Busduct).

BUY

Share price	**RM0.515**
Target price	**RM0.600**
Previous TP	**RM0.520**
Capital upside	16.5%
Dividend return	2.9%
Total return	19.4%

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)	155.4
52W High/Low	0.620 / 0.450
Est. Free float (%)	24.8
Beta (x)	0.5
3-mth avg vol ('000)	112.6
Shariah compliant	Yes

Major shareholders %

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

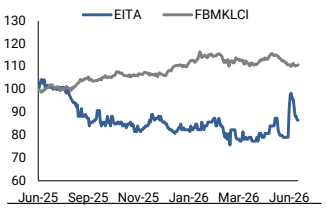
Share price vs. KLCI (%)

Hist. return	1M	3M	12M
Absolute	14.0	22.6	-7.3
Relative	17.8	23.7	-16.4

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)	10.7	10.4	9.5

Relative performance chart



- Key risks include: (i) order book replenishment timing, (ii) potential project delays in ECRL/RTS, (iii) margin pressure from competitive bidding on new infrastructure tenders, and (iv) execution risk on the HV segment turnaround.

Valuation & Recommendation

- **Forecast.** Maintained.

- **Remained BUY with a higher TP of RM0.60.** We maintain our BUY recommendation on EITA with a higher target price of RM0.60, from RM0.52 previously. Our TP is derived by pegging an 11.0x P/E multiple to our FY27f EPS of 5.43 sen. The higher assigned multiple, from 10.0x previously, reflects improved trading liquidity, stronger infrastructure order visibility and better growth prospects from the data centre busduct segment. The valuation base has also been rolled forward to FY27f as part of our annual report update.

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)	14.8	16.5	10.7	10.4	9.5	8.6
EV/EBITDA (x)	2.3	2.7	1.9	1.5	1.5	1.5
DPS (sen)	2.2	2.1	2.5	1.5	1.6	1.8
Dividend yield	4.2%	4.1%	4.9%	2.9%	3.2%	3.5%
BVPS (RM)	0.7	0.8	0.8	0.9	0.9	1.0
P/B (x)	0.7	0.6	0.6	0.6	0.6	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