Stratus Global Holdings Berhad (STRATUS)

Automating The Global Semiconductor Production Lifecycle

- **Stratus Global Holdings Berhad is a factory automation solutions provider specialising in cleanroom Automated Material Handling Systems (AMHS) for the semiconductor industry, principally involved in the design, manufacturing, assembly and testing of (i) conveyor-based AMHS, (ii) hybrid AMHS integrating overhead conveyor lines with overhead hoist transport (OHT), and (iii) automated storage and retrieval systems (ASRS), complemented by its proprietary IntelliMove transport control software.**
- **We project 3-year earnings CAGR of 12.5%, with core PATMI expected to reach RM53.0m-RM72.7m over the next three years, supported by (i) more production shifts expected following ongoing global AI and semiconductor upcycle, (ii) the Group's further geographical expansion in overseas market and also (iii) the partial commencement of new facility starting 3QCY28.**
- **We assign a fair value of RM2.00 per share for STRATUS, indicating a 150.0% upside from the IPO price of RM0.80. This valuation is based on a P/E ratio of 42.1x, pegged to FY28f EPS of 4.75 sen.**

Investment highlights

New facility to expand production capacity. As the Group's Bayan Lepas Facility is currently operating near full capacity, with >85% utilisation rate in Factory 1 and >90% utilisation rate in Factory 2, RM122.6m of the IPO proceeds has been allocated to fund a new multi-storey production facility directly opposite the existing facility, consisting of 2 buildings which comprise (i) production areas for in-house fabrication as well as assembly, testing, and packaging of AMHS, (ii) an R&D and demonstration centre, and (iii) warehouse space. This new facility will have a production area of 100k sqft, which is double the current production area of 44.2k sqft, and is expected to commence operations in 3QCY28 for Building 1 and 2QCY29 for Building 2, removing scheduling bottlenecks and supporting STRATUS's growing order book moving forward.

Geographical business expansion to overseas markets. The Group plans to set up sales and engineering support offices across critical global semiconductor manufacturing hubs including Japan, Taiwan, Germany, and the USA over the next 3 years. The revenue mix has already shifted materially towards overseas markets, with North America and Europe collectively accounting for 81.8% of FY26 revenue. We like this expansion as it will further enhance the Group's brand visibility overseas, strengthen its customer outreach and support capabilities, and broaden access to new opportunities across semiconductor players globally.

Further capturing growth in the back-end semiconductor industry. Having primarily served front-end customers including IDMs and foundries, STRATUS is systematically entering back-end automation applications, as back-end assembly and testing lines have historically relied on manual transport, but are now rapidly automating due to rising labour costs and the structural shift toward advanced packaging. Given the industry's need for greater throughput and precision, as well as the shift toward advanced packaging, STRATUS's automation experience leaves it well-positioned to address the needs of the back-end semiconductor industry.

Unbilled order book providing near-term revenue visibility. As at the LPD, the Group's total unbilled order book stood at RM108.4m, of which RM75.4m is expected to be billed in FY27 and the remaining RM33.0m in FY28, providing clear near-term revenue visibility.

IPO Note – Not rated

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Non-Rated

Share price	**RM0.80**
Target price	**RM2.00**
Previous TP	-
Capital upside	150.0%
Dividend return	-
Total return	150.0%

Company profile

Started since 1998 and incorporated in 2025, Stratus Global Holdings Berhad is a factory automation solutions provider specialising in cleanroom AMHS solutions for the semiconductor industry, including (i) conveyor-based AMHS, (ii) hybrid AMHS integrating overhead conveyor lines with OHT, and (iii) ASRS. The Group serves multinational semiconductor companies across Asia, Europe and North America.

Stock information

Bursa Code	5356
Bloomberg ticker	STRATUS MK
Listing market	MAIN
Share issued (m)	1250.0
Market Cap (m)	1000.0
Shariah compliant	Yes
MITI allocation	Yes

Major shareholders

	%
Jiyuan Holdings S/B	41.6
Beh Lai Lien	9.2
Tan Chan Chin	5.3

Earnings snapshot

FYE (Mar)	FY26	FY27f	FY28f
PATMI (m)	51.1	53.0	59.3
EPS (sen)	4.1	4.2	4.8
P/E (x)	19.6	18.9	16.9

Timetable of IPO

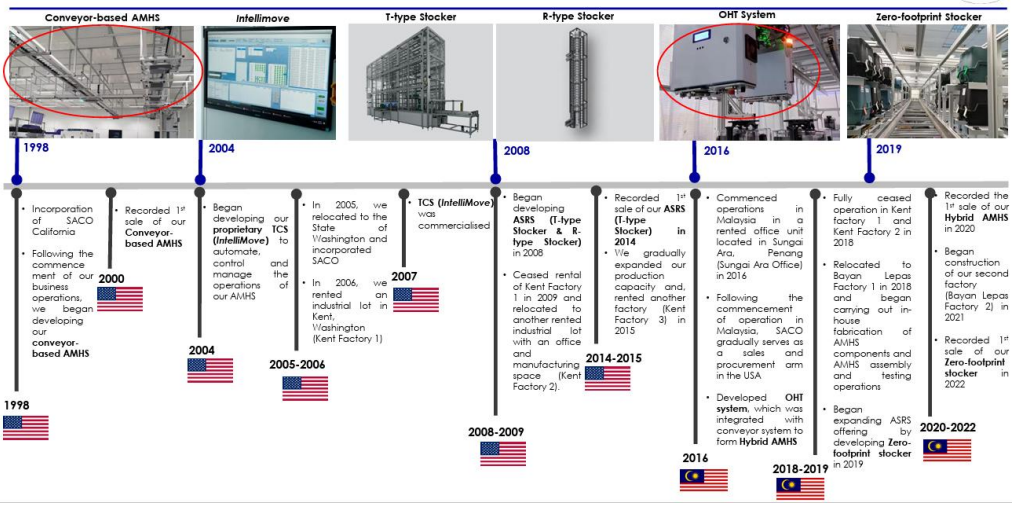
Opening of application	2 July
Closing of application	10 July
Balloting of application	14 July
Allotment of the IPO shares	20 July
Listing on the MAIN market	21 July

Company background

Stratus Global Holdings Berhad is a factory automation solutions provider, specialising in cleanroom Automated Material Handling Systems (AMHS). Its systems are engineered for strict ISO Class 3 and Class 5 cleanroom environments, designed primarily to transfer and store critical materials (such as silicon wafers and related components) within cleanroom and other controlled environments.

The Group has established its expertise since 1998 in providing end-to-end AMHS solutions, encompassing the design, fabrication, installation and commissioning of AMHS, including conveyor-based AMHS, hybrid AMHS and ASRS. Commencing its business back in 1998 in California, the Group relocated its operations to Penang in 2016 to tap into the region's technical talent pool and cost efficiencies. The Group will be listed in the Bursa Main Market.

Fig #1 Corporate milestones



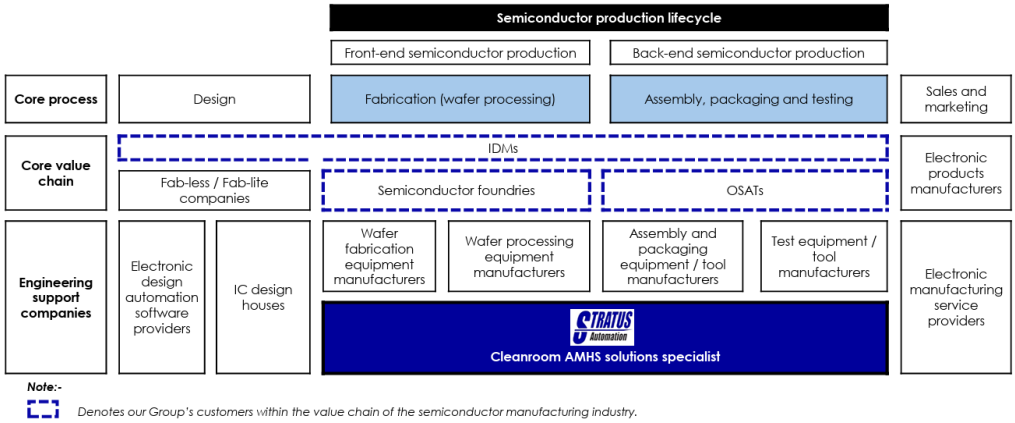
Source: Stratus Global Holdings Berhad

Industry overview

STRATUS operates as a cleanroom automated material handling systems (AMHS) solutions provider in the semiconductor industry. Its core hardware configurations and proprietary IntelliMove transport control software have historically been anchored in the front-end fabrication phase, involving IDMs and semiconductor foundries handling 300mm wafers. Moving forward, the Group is systematically entering back-end automation applications to serve assembly and packaging equipment, test equipment and tool manufacturers for both IDMs and OSATs.

According to the IMR report, global semiconductor sales expanded at a CAGR of 11.5% from USD574.1bn (RM2.5tn) in 2022 to USD795.6bn (RM3.4tn) in 2025. Driven by this broader momentum, the global semiconductor AMHS industry size rose at a CAGR of 8.4% from USD2.3bn (RM10.3bn) to USD3.0bn (RM12.8bn) over the same period. Meanwhile, SEMI expects the global semiconductor equipment sales to increase at a CAGR of 7.9% from USD107.4bn (RM472.6bn) in 2022 to USD135.1bn (RM578.3bn) in 2025, alongside sustained 300mm wafer capacity investments extending out to 2030, hence we believe STRATUS is perfectly positioned to capture these multi-sector tailwinds, fuelled by AI data centre constructions, aggressive front-end expansions, and an accelerating structural shift toward automated manufacturing environments.

Fig #2 Value chain that STRATUS involved in



Source: Stratus Global Holdings Berhad

Substantial Shareholders and Key Management

1. Ryo Narisawa – Promoter, Substantial Shareholder and Chief Executive Officer
Responsible for the overall corporate management, strategic planning, sales and marketing strategy, as well as product development initiatives of the Group.

2. Tan Chan Chin – Promoter, Substantial Shareholder and Chief Operating Officer
Responsible for directly managing the engineering department, back-end operations, as well as overseeing the installation of AMHS solutions at customers' sites.

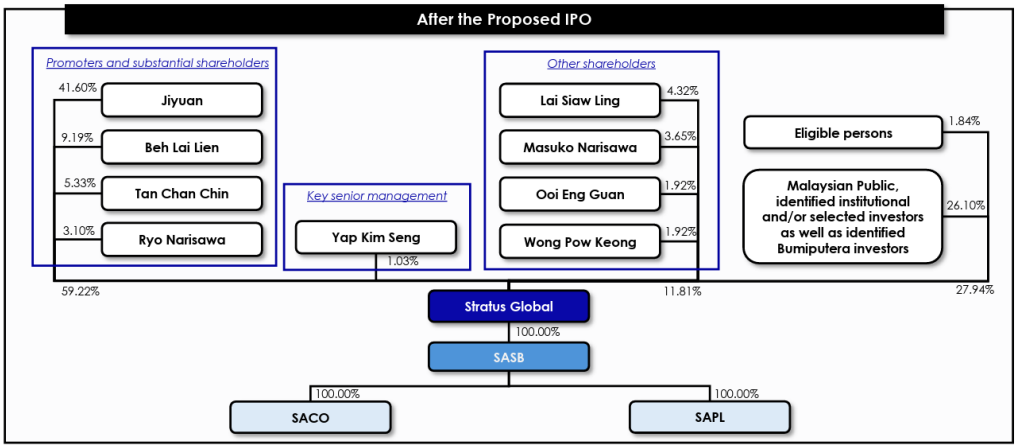
3. Yap Kim Seng – Senior Director of Application Control Engineering
Responsible for overseeing the application software, software field service, electrical engineering, and internal IT departments, alongside overseeing the operations of SAPL.

4. Beh Yong Yee – Senior Controller of Finance and Accounting Department
Responsible for overseeing the finance and accounting functions of the Group, including the preparation of financial and management reports, taxation, and financial planning.

5. Satiaseelan A/L Kanasamy – Director of Sales and Project Engineering
Responsible for leading the Group's sales engineering and project management department.

6. Lee Junyi – Director of R&D
Responsible for leading, managing, and providing technical direction for the Group's R&D activities.

Fig #3 Post-IPO structure



Source: Stratus Global Holdings Berhad

Fig #4 Use of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Expansion of Group's facility	122.6	43.0	Within 36 months
Overseas business expansion	20.0	7.0	Within 36 months
R&D expenditure	45.0	15.8	Within 36 months
Working capital	82.4	28.9	Within 24 months
Estimated listing expenses	15.0	5.3	Within 1 month
Total	285.0	100.0	

Source: Stratus Global Holdings Berhad

Business overview

Conveyor-based Automated Material Handling System (31.5% of FY26 Revenue)
This segment comprises an integrated network of overhead conveyor lines, turntables, long lifters and I/O lifters that enable horizontal and vertical transfer of critical materials across production floor and between different production floor levels, and is complemented by proprietary transport control software IntelliMove that maps out optimal route for transfer.

Hybrid Automated Material Handling System (65.7% of FY26 Revenue)
This segment focuses on integrating overhead conveyor lines with an Overhead Hoist Transport (OHT) system, and is positioned to automate loading, unloading, and staging cycles via bi-directional overhead rails and high-density zero-footprint near-tool buffering.

Automated Storage and Retrieval System (2.9% of FY26 Revenue)
This segment specializes in storing and retrieving critical materials, improving space utilisation, inventory control and material handling efficiency within the semiconductor facilities, and is segmented into ground-standing T-type stockers, vertical R-type stocker and zero-footprint stockers.

Fig #5 Principal business activities and services provided

Principal activities	**Cleanroom AMHS solutions specialist**		
Solutions	**Conveyor-based AMHS** *(A cleanroom automated system that uses overhead conveyor lines to transfer critical materials rapidly and reliably between production floor areas within semiconductor facilities)*	**Hybrid AMHS** *(A cleanroom automated system that integrates overhead conveyor lines with OHT, a vehicle with hoist that runs on ceiling-mounted rail tracks that carries critical materials in individual carriers above the production floor areas)*	**ASRS** *(Automated storage and retrieval system designed to store and retrieve critical materials)*
Customers	Primarily front-end semiconductor production companies (i.e. IDMs and semiconductor foundries) as well as back-end semiconductor production companies (i.e. IDMs and OSATs)		
Geographical markets	• Asia (comprising Malaysia and other Asian countries) • Europe • North America		

Source: Stratus Global Holdings Berhad

Fig #6 SWOT analysis of STRATUS

Strength	**Weakness**
• 28-year track record in semiconductor AMHS • Proprietary IntelliMove TCS software • ISO 9001, ISO 14001 and ISO 45001 certified • Serves customers across 11 countries in Asia, Europe and North America • High GP margin above 50% • Net cash position	• FY26 revenue decline of 10.5% YoY • FY26 trade receivables extended to 148 days
Opportunity	**Threat**
• New facility which is double of current production capacity • Overseas expansion into Japan, Taiwan, Germany and USA • RM108.4m unbilled order book • Industrial tailwinds driven by AI data centre and semiconductor upcycle	• Foreign exchange risk • Customers concentration risk (top 5 major customers made up 89.5% of FY26 revenue) • Competition from other global players

Source: M+ Research

Financials

Revenue and income highlights. The Group posted revenue of RM197.1m in FY26, a decline of RM23.2m (10.5% YoY) from RM220.3m in FY25. The decline was primarily driven by lower project billings from Customers C, D and E. This was partially offset by the emergence of Customers A and B as major revenue contributors, with North America accounting for RM119.6m (60.7%) of FY26 revenue. GP margin remained resilient at 51.8%, demonstrating the Group's pricing power. PAT declined 22.8% YoY to RM51.1m, dragged by the lower topline.

Balance sheet. Total assets stood at RM264.2m as at FY26, up from RM209.9m in FY25, boosted by strong growth in cash and cash equivalents. The Group has a solid balance sheet with no bank borrowings and a net cash position throughout the financial years under review, with current ratio of 6.69x providing ample liquidity. Meanwhile, total equity also increased from RM191.6m to RM228.4m due to the increase in share capital and retained profits. Post-IPO, the Group will remain as a net cash company.

Cash flow. Net cash from operating activities surged to RM73.2m in FY26 from RM35.3m in FY25, driven by stronger trade receivables collections and the increase in contract liabilities. Investing cash outflow was minimal at RM0.7m, while financing outflow was lower at RM13.8m in FY26, as compared to an outflow of RM21.7m in FY25, following lower dividends paid.

Earnings forecasts. Moving forward, we project a 3-year earnings CAGR of 12.5%, with core PATMI expected to reach RM53.0m, RM59.3m and RM72.7m over the next three years. This growth is underpinned by (i) more production shifts expected following ongoing global AI and semiconductor upcycle, (ii) the Group's further geographical expansion in overseas market and also (iii) the partial commencement of new facility starting 3QCY28.

Fig #7 Financial Highlights

FYE Mar (RM m)	FY25	FY26	FY27f	FY28f	FY29f
Revenue	220.3	197.1	231.9	282.6	374.4
EBITDA	90.1	63.1	73.0	87.9	113.6
EBIT	86.0	59.6	66.8	75.1	92.7
PBT	88.3	62.5	69.7	78.0	95.7
PAT	66.2	51.1	53.0	59.3	72.7
PATMI – Core	66.2	51.1	53.0	59.3	72.7
PATMI – Reported	66.2	51.1	53.0	59.3	72.7
% change YoY – Core PATMI	129%	-23%	4%	12%	23%
Core EPS (sen)	5.3	4.1	4.2	4.7	5.8
P/E (x)	15.1	19.6	18.9	16.9	13.8
EV/EBITDA (x)	9.8	13.9	12.0	10.0	7.7
DPS (sen)	0.5	0.1	-	-	-
Yield (%)	1%	0%	0%	0%	0%
BVPS (RM/share)	0.2	0.2	0.4	0.5	0.6
P/B (x)	5.2	4.4	1.8	1.6	1.4
ROE (%)	39%	24%	13%	10%	11%
Net Gearing (x)	CASH	CASH	CASH	CASH	CASH

M+ Global Research

Valuations

We assign a fair value of RM2.00 per share for STRATUS, indicating a 150.0% upside from the IPO price of RM0.80. This valuation is based on a P/E ratio of 42.1x, pegged to FY28f EPS of 4.75 sen.

Given the limited number of listed AMHS solution providers globally, we selected five comparable companies based on business activities and market positioning. While the peers are trading at average forward and historical P/E multiples of between 44.0x and 46.0x, certain peers including Murata Manufacturing Co Ltd, SFA Engineering Corp, and Mirle Automation Corp, exhibit valuation multiples that are significantly above or below the peer group average due to company-specific factors. We consider these as outliers when assessing the appropriate valuation range. Excluding these outliers, the remaining peers trade at forward and historical P/E multiples of 36.8x–42.1x. We adopt a P/E multiple of 42.1x, which sits at the upper end of this adjusted range to reflect STRATUS's stronger ROE and net profit margin relative to its peers, and it also aligns with the its peer group's median P/E of 42.1x–42.4x.

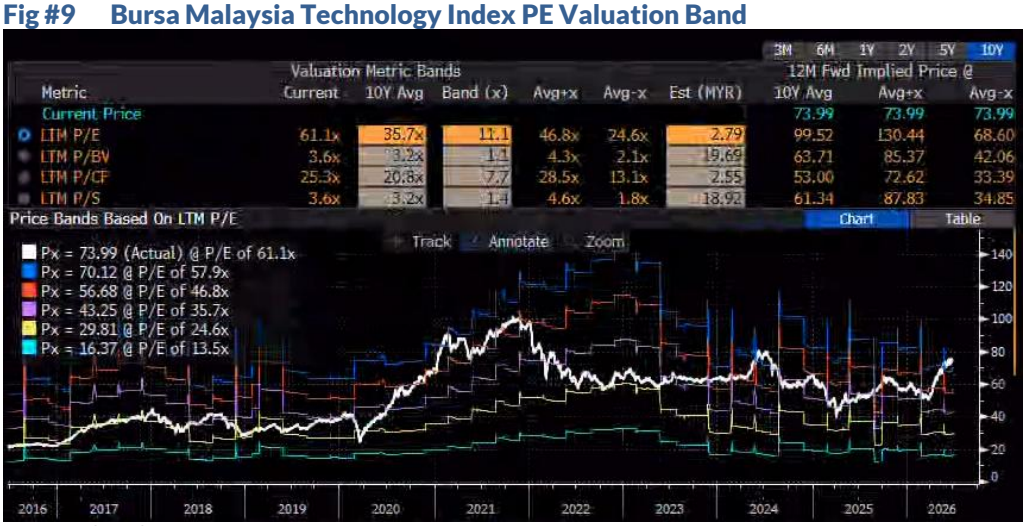
Also, our assigned P/E multiple of 42.1x is also fully supported by the 10-Year Bursa Malaysia Technology Index P/E valuation, which trades within a trailing P/E valuation band of 24.6x (-1 standard deviation) to 46.8x (+1 standard deviation).

Fig #8 Peers comparison

	Market Group	FYE	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)
Stratus Global Holdings Berhad	**Main**	**Mar**	**0.80**	**1,000.0**	***19.6**	****16.9**	***24.3**	***25.9**
Pentamaster Corp Bhd	MAIN	Dec	4.79	3,407.2	51.0	42.4	8.7	10.6
Daifuku Co Ltd	Tokyo	Dec	184.78	70.0	33.3	31.3	19.0	11.8
Murata Manufacturing Co Ltd	Tokyo	Mar	279.96	549.6	86.8	60.0	8.8	12.8
SFA Engineering Corp	KOSDAQ	Dec	61.29	2,202.8	12.9	9.2	5.5	3.4
Mirle Automation Corp	Taiwan	Dec	22.00	4,541.6	N/A	77.0	(2.5)	(2.6)
Avg ex-Stratus Global Holdings Berhad				**2,154.2**	**46.0**	**44.0**	**7.9**	**7.2**
Ex-Stratus Global Holdings Berhad (Median PE)					**42.1**	**42.4**		

Source: M+ Research (*FY26, **FY28f)

Fig #9 Bursa Malaysia Technology Index PE Valuation Band



Source: Bloomberg

Investment risks

Foreign exchange risk. FY26 overseas revenue reached 90.7% of total. Depreciation of USD may impact profitability, as the Group's revenue is entirely denominated in USD.

Customers concentration risk. Top 5 customers contributed 89.5% of FY26 total revenue. The Group is materially dependent on a limited number of semiconductor customers.

New facility execution risk. The RM122.6m facility expansion involves property acquisition, demolition, construction and fit-out over 36 months. Delays or cost overruns could impact growth trajectory.

Environmental, Social and Governance (ESG) Practices

Environmental:

- Environmental risks incorporated into Enterprise Risk Management (ERM) framework with progressive monitoring of energy use, emissions and resource efficiency
- ISO 14001 and ISO 45001 certified for environmental management system and occupational health and safety management system respectively
- Energy efficiency, waste reduction and responsible resource management initiatives implemented and monitored at operational and governance levels

- Continuous enhancement of emissions-tracking capabilities and assessment of climate transition and physical climate risks

Social:

- Employee safety programmes, health and welfare measures and training activities covering technical skills and safety compliance with internal safety policies
- Stakeholder engagement with employees, customers, suppliers, regulators and local communities to understand expectations and incorporate them into sustainability assessments.
- Supply chain social risks monitored through supplier engagement and adherence to standards on safety, ethics and labour practices
- Community initiatives undertaken under CSR, Donation and Sponsorship Policy

Governance:

- Board responsible for overall sustainability direction including oversight of ESG strategy, climate-related risks
- Sustainability and Risk Management Committee oversees sustainability risks integration into corporate decision-making and monitors progress on key ESG matters
- Policies established include Fit and Proper Policy, Code of Conduct and Ethics, Anti-Bribery and Corruption Policy, Whistleblowing Policy, Related Party Transactions Policy, Conflict of Interest Policy, Anti-Money Laundering and Anti-Terrorism Financing ("AMLA") Policy, Gift, Entertainment, Hospitality and Travel Policy and also Donation and Sponsorship Policy

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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