# EITA Resources Berhad

## Landing A Busduct Contract Job In Indonesia

### Newsbreak

- EITA Resources Berhad announced that its wholly-owned subsidiary, Furutec Electrical Sdn Bhd, has secured a contract worth RM20.5m to supply and deliver its proprietary busduct systems for a data centre project in Indonesia. The letter of award was accepted from an unnamed customer. The contract is short-term and fast-tracked, scheduled to run from June 2026 to September 2026, and the win is expected to contribute directly and positively to EITA's earnings for FY26.

### M+ Global View

- We view this contract win positively, though it remains neutral on earnings as it falls well within our full-year revenue assumptions for FY26. Nonetheless, this represents a crucial operational milestone as it extends EITA's data centre footprint regionally into Indonesia, serving as a key growth catalyst for its proprietary Busduct business by tapping into the regional data centre boom.

- The fast-track 4-month execution timeline ensures immediate earnings conversion that will support 4QFY26. Assuming a conservative net profit margin of 5.0%, this project is expected to contribute roughly RM1.0m to the group's bottom line. As this targeted run-rate is already accounted for in our current forecasts, we make no changes to our existing FY26 core earnings forecasts.

### Valuation & Recommendation

- **Forecast.** Maintained.

- **Remained BUY with a same TP of RM0.60.** We maintained Buy on EITA with an unchanged target price of RM0.60. The target price is derived based on a P/E ratio of 11.0x pegged to our FY27f EPS of 5.43 sen.

Company Update

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**BUY**

| | |
|---|---|
| **Share price** | **RM0.520** |
| Target price | RM0.600 |
| Previous TP | RM0.600 |
| Capital upside | 15.4% |
| Dividend return | 2.9% |
| Total return | 18.3% |

**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) | 172.0 |
| 52W High/Low | 0.635 / 0.450 |
| Est. Free float (%) | 24.8 |
| Beta (x) | 0.5 |
| 3-mth avg vol ('000) | 162.5 |
| Shariah compliant | Yes |

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

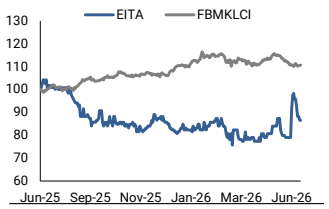
**Share price vs. KLCI (%)**

| Hist. return | 1M | 3M | 12M |
|---|---|---|---|
| Absolute | -10.3 | 11.8 | -14.0 |
| Relative | -10.8 | 12.0 | -21.9 |

**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) | 10.8 | 10.5 | 9.6 |

**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 ca | (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) | 15.0 | 16.7 | 10.8 | 10.5 | 9.6 | 8.7 |
| EV/EBITDA (x) | 2.4 | 2.8 | 2.0 | 1.5 | 1.5 | 1.5 |
| DPS (sen) | 2.2 | 2.1 | 2.5 | 1.5 | 1.6 | 1.8 |
| Dividend yield | 4.1% | 4.1% | 4.8% | 2.9% | 3.1% | 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 |