

EITA Resources Berhad

Earnings Came In Within Expectations

Summary

- **Earnings within expectations.** EITA registered a 3QFY26 core PAT of RM7.2m (+182.0% QoQ, +1854.5% YoY), bringing its 9MFY26 cumulative core PAT to RM11.4m (-7.6% YoY). The results came in within expectations, accounting for 76.0% of our FY26f earnings forecast of RM15.0m and 73.9% of consensus estimates of RM15.5m.
- **YoY.** 3QFY26 revenue rose 1.9% YoY to RM105.3m (from RM103.4m), driven by a 25.5% surge in the Manufacturing segment and a 23.3% increase in Marketing & Distribution. However, the High Voltage System segment revenue fell 57.5% YoY due to lower execution of Transmission Sub-Station projects. Core PAT swung from a loss of RM0.4m in 3QFY25 to a profit of RM7.2m. Cumulatively, 9MFY26 core PAT declined 7.6% YoY to RM11.4m following a lower revenue of RM289.9m (-2.7%).
- **QoQ.** Revenue grew 11.6% QoQ from RM94.4m to RM105.3m, while core PAT surged 182.0% QoQ from RM2.6m to RM7.2m, primarily driven by the positive turnaround in the Manufacturing segment and also higher contribution from the Marketing and Distribution and also Services segments.
- **Manufacturing segment turned profitable.** The Manufacturing segment posted a PBT of RM2.4m for the quarter (vs. LBT of RM2.1m in 2QFY26), a RM4.5m swing driven by a 66.9% QoQ surge in revenue from the Elevator and Busduct businesses.
- **Services segment remains the largest profit contributor.** Services PBT grew 37.1% QoQ to RM4.8m, driven by higher repair and maintenance sales. Cumulative 9MFY26 Services PBT of RM12.5m (+3.3% YoY) remains the largest profit contributor, underpinned by the growing elevator maintenance base and also reversal of provision for doubtful debts.
- **Lower effective tax rate.** The 9MFY26 effective tax rate improved to 37% (from 46% in 1H FY26), though still above the statutory 24%, primarily due to non-recognition of deferred tax assets on HV segment losses and other non-deductible expenses.
- **Outlook.** We like EITA's encouraging progress seen in securing sizeable busduct projects for data centres and elevator projects, while the Board also remains cautiously optimistic for FY2026, barring unforeseen circumstances.

Quarterly performance 3QFY26

Quarterly performance

FYE Sep (RM m)	3QFY25	2QFY26	3QFY26	QoQ (%)	YoY (%)	9MFY25	9MFY26	YoY (%)
Revenue	103.4	94.4	105.3	11.6	1.9	297.8	289.9	(2.7)
EBIT	(0.5)	4.2	9.2	121.0	2,067.6	16.5	16.8	1.8
PBT	(1.2)	3.7	8.6	133.7	787.5	14.2	14.8	4.2
Core PAT	(0.4)	2.6	7.2	182.0	1,854.5	12.4	11.4	(7.6)
Reported PAT	(0.4)	2.6	7.2	182.0	1,854.5	12.4	11.4	(7.6)
Core EPS (sen)	(0.1)	0.8	2.4	182.0	1,854.5	4.1	3.8	(7.6)
EBIT margin (%)	(0.5)	4.4	8.8			5.5	5.8	
PBT margin (%)	(1.2)	3.9	8.1			4.8	5.1	
Core PATMI margin (%)	(0.4)	2.7	6.8			4.2	3.9	

Source: EITA, M+ Research

Results Note – 3QFY26

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HOLD

Share price	RM0.585
Target price	RM0.600
Previous TP	RM0.600
Capital upside	2.6%
Dividend return	2.5%
Total return	5.1%

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 (Furutech®) 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)	176.6
52W High/Low	0.610 / 0.450
Est. Free float (%)	24.8
Beta (x)	0.5
3-mth avg vol ('000)	189.2
Shariah compliant	Yes

Major shareholders

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

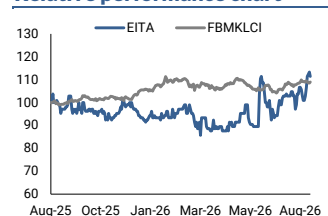
Share price vs. KLCI (%)

	1M	3M	12M
Hist. return			
Absolute	8.3	12.5	11.4
Relative	8.2	12.1	2.2

Earnings snapshot

	FY25	FY26f	FY27f
FYE (Sep)			
PAT (m)	14.6	15.0	16.4
EPS (sen)	4.8	5.0	5.4
P/E (x)	12.1	11.8	10.8

Relative performance chart



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Valuation & Recommendation

- **Forecast.** Maintained.
- **Maintain HOLD with the same TP of RM0.60.** We maintain our Hold recommendation 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.
- **Downside risks.** Risks to our recommendation include (i) Manufacturing segment relapse into losses, (ii) higher-than-anticipated tax rate and (iii) project delays in infrastructure tenders.

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

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)	16.8	18.8	12.1	11.8	10.8	9.8
EV/EBITDA (x)	3.3	3.8	2.7	2.1	2.1	2.1
DPS (sen)	2.2	2.1	2.5	1.5	1.6	1.8
Dividend yield	3.7%	3.6%	4.3%	2.5%	2.8%	3.1%
BVPS (RM)	0.7	0.8	0.8	0.9	0.9	1.0
P/B (x)	0.8	0.7	0.7	0.7	0.6	0.6
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

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

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

