Emits Berhad (EMITS)

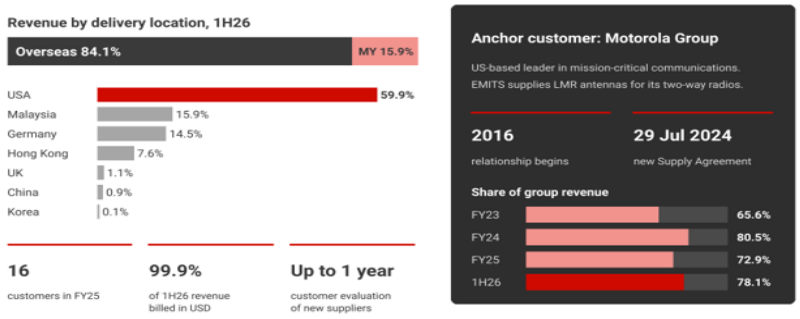
Locked On to the Next Frequency

- **Emits Berhad is a Penang-based OEM of passive antennas with about 10 years of track record, providing end-to-end design, production and testing for brand owners, mostly listed telecommunication companies. Land mobile radio (LMR) antennas for two-way radios contributed 91.6% of FY25 revenue, while Motorola Group, a customer since 2016, accounted for 72.9%.**
- **We project core PATMI to grow at a three-year CAGR of 10.9% to RM7.1m by FY28f, from RM5.1m in FY26f and RM5.8m in FY27f. This growth is underpinned by (i) a recovery in LMR volumes on production lines running at only 50.0% utilization, (ii) a steadier ringgit after the translation drag of FY25–1H26, and (iii) targeted first mass production orders for 5G base station antennas from 1Q28, subject to CCI's pre-qualification, on four lines already built and paid for. LMR units sold rose 18.4% YoY in 1H26, providing early evidence of the volume recovery.**
- **We assign a fair value of RM0.19 per share for EMITS, indicating an 18.8% upside from the IPO price of RM0.16. Our valuation is derived by ascribing a target P/E multiple of 15.5x to FY27f EPS of 1.23 sen, in line with the peer average forward P/E.**

Investment highlights

A decade inside the leading mission-critical radio supply chain. Emits' standing rests on a relationship few small-cap manufacturers can claim. It has supplied LMR antennas to Motorola Group, a US-based multinational supplier of telecommunication products and services, since 2016, and the partnership was renewed under a new Supply Agreement in July 2024 with an initial three-year term, renewing automatically each year unless either party gives notice. Motorola Group contributed 65.6%, 80.5%, 72.9% and 78.1% of revenue in FY23–FY25 and 1H26. These antennas go into two-way radios used by public safety and other mission-critical users, where, in our view, reliability matters more than price, and customers' supplier evaluations can take up to a year to complete. That makes the relationship sticky. Demand from the anchor customer is firming too, with Motorola Solutions' Products and Systems Integration backlog rising 18% YoY in 3Q26. With 10 years of track record in a niche where switching suppliers is costly, we see the concentration as a source of earnings stability rather than a weakness.

Fig #1 Export-led, anchored by Motorola Group



Source: Emits Berhad, M+Global Research

Positioned where wireless demand is growing. EMITS is more than a single-product supplier. Its passive antennas serve three application groups, namely public services and consumer devices, automotive, and industrial electronics, across VHF, UHF, LTE, Wi-Fi, GPS, Bluetooth and 5G bands. This gives it a foothold in each of the structural trends driving the USD4.8bn global passive antenna market (Fig #2). Public safety radio,

IPO Note – Not rated

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Non-Rated

Share price	**RM0.16**
Target price	**RM0.19**
Previous TP	-
Capital upside	18.8%
Dividend return	0.0%
Total return	18.8%

Company profile

An OEM manufacturer of passive antennas, mainly LMR antennas for two-way radios used in public safety, alongside embedded and dome antennas. Founded in 2015, it operates from its own factory in the Bayan Lepas Free Industrial Zone, with an assembly line in Taiwan, and is expanding into 5G base station antennas.

Stock information

Bursa Code	0486
Bloomberg ticker	EMITS MK
Listing market	ACE
Share issued (m)	468.8
Market Cap (m)	75.0
Shariah compliant	Yes
MITI allocation	No

Major shareholders	%
Dato' Seri Goh	34.0
Ts. Loy Boon Liang	13.3
H'ng Chuen Yeou	13.3

Earnings snapshot

FYE (Dec)	FY25	FY26f	FY27f
PATMI (m)	5.2	5.1	5.8
EPS (sen)	1.1	1.1	1.2
P/E (x)	14.4	14.7	13.0

Timetable of IPO

Opening of application	6 Nov
Closing of application	19 Nov
Balloting of application	23 Nov
Allotment of the IPO shares	30 Nov
Listing on the ACE market	1 Dec

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its core, is in our view a resilient end-market where passive antennas are favoured for their reliability and long service life. 5G is the next leg, with base station antenna sales growing at a 7.5% CAGR to USD657.3m in 2025, and EMITS' four dedicated lines are already in place. Automotive, the fastest-growing application at a 12.5% CAGR over 2021–2025, is served through dome antennas and vehicle fins, while embedded antennas for barcode scanners and telematics, and antennas for Wi-Fi, Bluetooth and GPS routers, tie the group to IoT and broadband demand. What links these markets is a common engineering base of in-house antenna engine design, rapid prototyping, an anechoic chamber and shielded rooms with PIM testers, which lets the group qualify new products for new customers without rebuilding its capabilities. With LMR antennas still at 91.6% of revenue, these adjacent markets offer growth optionality on top of a stable core, and each new design win widens the group's addressable base.

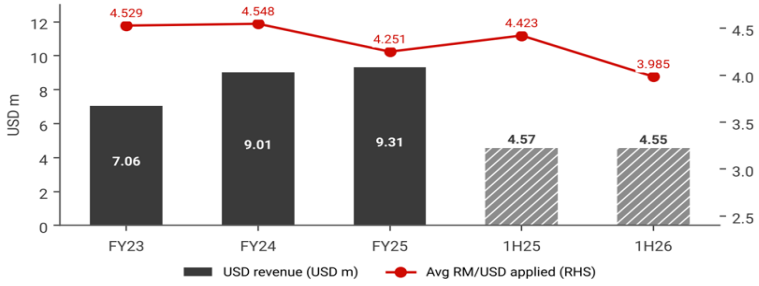
Fig #2 Growth trends and where EMITS fits

Trend	What is happening	Where EMITS fits today
Public safety	Public safety networks favour passive antennas for their reliability and long service life	LMR antennas for walkie-talkies and two-way radios; Motorola Group supplier since 2016
5G networks	Base station antenna sales grew to USD657.3m in 2025 (7.5% CAGR since 2021) as 5G spreads	5G base station antennas; four lines installed with capacity of 6,336 units a year
IoT and industrial devices	IoT and AI drive more connected devices that need compact antennas	Embedded antennas for barcode scanners, telematics, telemetry and monitoring
Cloud and broadband	Rising mobile data, cloud computing and video streaming lift demand for connectivity	Dome antennas for in-building coverage; antennas for Wi-Fi, Bluetooth and GPS routers
Connected vehicles	Automotive passive antenna sales grew at a 12.5% CAGR over 2021–2025	Dome antennas and vehicle fins for vehicle roofs

Source: PROVIDENCE, Emits Berhad, M+Global Research

Dollar growth hidden by a stronger ringgit. The reported numbers understate the business. With 99.8% of revenue billed in USD, revenue in dollar terms grew at a 14.8% CAGR to USD9.31m over FY23–FY25, ahead of the 11.3% CAGR in ringgit. FY25 revenue eased 3.3% to RM39.6m, yet USD revenue rose 3.3%, as the average rate applied fell to RM4.251/USD from RM4.548/USD. The pattern repeated in 1H26: revenue fell 10.4% YoY to RM18.2m on flat USD sales of USD4.55m, even as LMR units sold rose 18.4% to 1.13m. At a constant RM4.05/USD, core PATMI would have risen 18% in FY25 to RM4.2m, rather than declining 11% as reported. With the ringgit now hovering around RM4.05/USD, against the 1H26 average of RM3.985/USD, most of the translation drag is already in the base, which should allow the volume recovery to show through in reported earnings. USD-denominated purchases, at 60.8% of FY25 purchases, also cushion margins against currency swings.

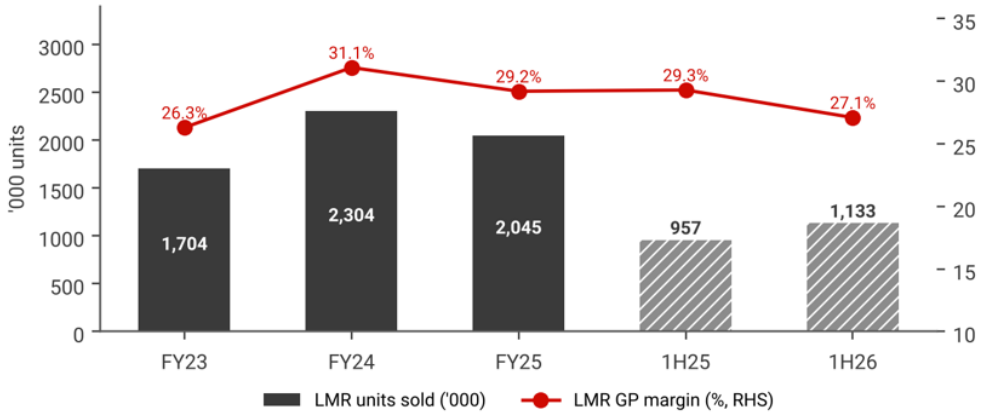
Fig #3 USD revenue vs average RM/USD rate applied



Source: Emits Berhad, M+Global Research

Spare capacity means growth needs orders, not capex. Emits has room to grow without heavy spending. Its 13 LMR production lines ran at 50.0% utilization in FY25, producing 2.11m units against capacity of 4.22m units, while the embedded and dome antenna lines ran at about 23%. A further 7,677 sq ft of production floor at the Penang Factory is vacant and reserved for future projects. FY24 showed what higher volumes do to earnings: LMR units sold rose 35.2% to 2.30m, lifting LMR gross margin by 4.8ppts to 31.1% on economies of scale, and PAT rose 2.7x to RM5.8m. The RM4.0m of IPO proceeds for dedicated R&D equipment adds a further lever, freeing up production machinery that R&D currently shares and supporting the new product introductions that feed future mass production. The equipment can also be redeployed to production to meet large orders.

Fig #4 LMR antenna volumes and gross margin



Source: Emits Berhad, M+Global Research

5G base station antennas: a second growth leg, already built and paid for. The group has set up four production lines for 5G base station antennas at the Penang Factory, with annual capacity of about 6,336 units. The RM5.5m set-up cost was fully funded before the IPO through internal funds and an RCPS issuance. Emits is in discussions with CCI, a US-based private company selling wireless network equipment, and delivered 40 demonstration units in 1Q26, with one of the two models conditionally approved in May 2026. CCI has since issued an engineering change order, including extending the low band to 617 MHz, which pushes pre-qualification to 4Q27 and the first mass production order to 1Q28. Upon qualification, CCI may require 4,000–6,000 units a year at an indicative price of at least USD1,000 per unit, or RM16.3–24.5m of annual revenue, equivalent to 41–62% of FY25 revenue. With RM6.0m of IPO proceeds earmarked for the project's working capital, the ramp-up will not add to gearing.

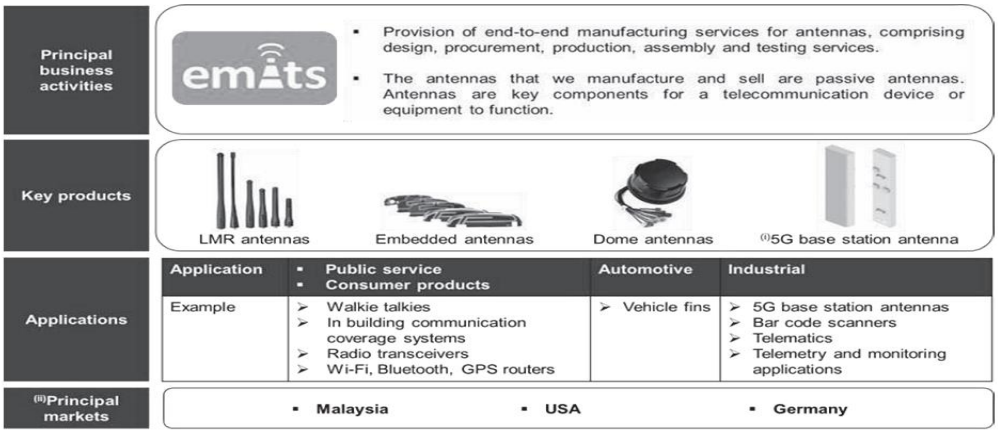
Company background

Emits traces its roots to 28 October 2015, when Ts. Loy Boon Liang and H'ng Chuen Yeou incorporated Emits Technology Sdn Bhd to venture into antenna manufacturing. The timing was deliberate. Ts. Loy had headed Amphenol Malaysia's antenna manufacturing division until its operations relocated to China in 2015, and several of the group's key personnel, including its Chief Technical Officer and Chief Operating Officer, also came from Amphenol Malaysia. The business started in 2016 from a rented 10,000 sq ft factory in Mak Mandin, Penang, moved to a larger site in Bayan Lepas in 2018, and in 2020 acquired its current Penang Factory for RM11.5m. Revenue grew from RM15.2m in FY21 to RM39.6m in FY25, a 27.0% CAGR.

Today, the group operates as an end-to-end OEM service provider: it designs or optimises antenna engines, procures components, moulds structural parts, assembles

and tests each antenna, and ships to customers worldwide. The Penang Factory (47,132 sq ft built-up) sits within the Bayan Lepas Free Industrial Zone, which brings tax incentives and duty exemptions on imported materials and machinery, while a Taiwan assembly line finishes semi-finished LMR antennas from Penang for a specified customer. Overseas markets accounted for 79.2% of FY25 revenue, led by the USA (62.4%) and Germany (10.4%). The group employs 54 staff, supported by contract workers for manual assembly, and is ISO 9001:2015 and ISO 14001:2015 certified. Emits Berhad was incorporated on 7 February 2025 as the listing vehicle.

Fig #5 Business model



Source: Emits Berhad

Fig #6 Corporate milestones

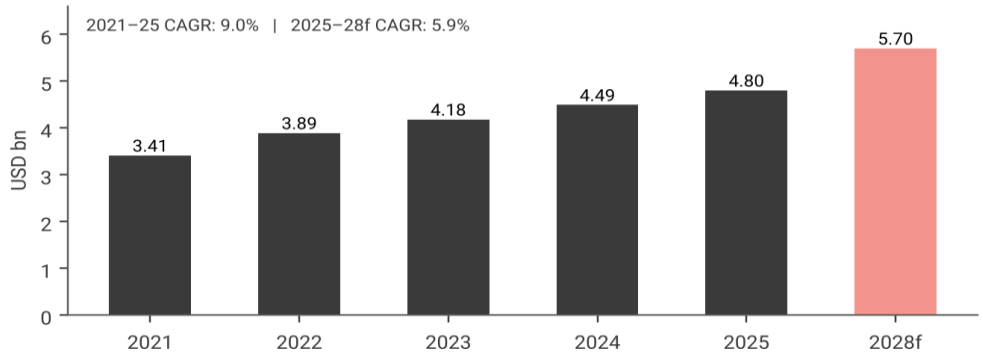


Source: Emits Berhad

Industry overview

Emits plays in a large, steadily growing market in which it is still a small player. According to PROVIDENCE, global sales of passive antennas grew from USD3.4bn in 2021 to USD4.8bn in 2025, a 9.0% CAGR, and are projected to reach USD5.7bn by 2028, a 5.9% CAGR. Telecommunications is the largest application at USD1.8bn in 2025 (8.5% CAGR since 2021), followed by consumer electronics at USD1.2bn, while base station antennas, the segment Emits is entering, grew from USD493.2m to USD657.3m over the same period (7.5% CAGR). North America, Emits' main end-market, accounted for USD1.2bn of sales in 2025. At RM39.6m of FY25 revenue, Emits holds a 0.2% share of the global market, leaving ample room to grow within its niche.

Fig #7 Global passive antenna sales (USD bn)

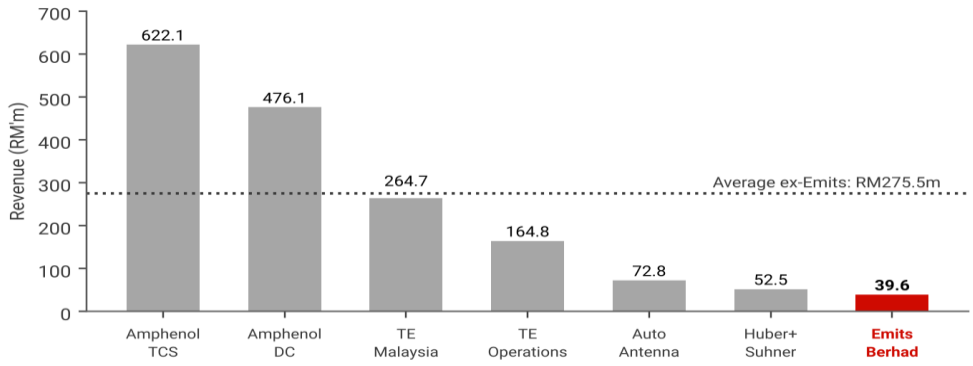


Source: PROVIDENCE, M+Global Research

Demand rests on the expansion of telecommunications networks and data consumption, the roll-out of 5G and IoT, rising electronics content in vehicles, and aerospace and defence spending. Passive antennas are favoured in base stations and public safety networks for their simple structure, high reliability and long service life, and are not substituted by active antennas, which serve different applications. For Emits, the most relevant demand is public safety radio, which we view as a resilient end-market.

Barriers to entry are high. OEM antenna manufacturing requires RF design know-how, skilled engineers, specialised testing facilities and a track record to clear lengthy customer audits, which favours established players with qualified relationships. Emits' gross margin of 28.0% in FY25 compares well against Malaysian antenna players benchmarked by PROVIDENCE, sitting below only the two Amphenol units, which are many times its size. Its Taiwan assembly line adds a further edge, allowing it to serve US customers that require certain LMR antenna models to be made in a country with a trade agreement with the US, which its Penang Factory cannot do. On trade policy, the US reciprocal tariff on Malaysia, initially 24.0% in April 2025, was cut to 19.0% in August 2025 and, after the US Supreme Court invalidated it in February 2026, was replaced by a temporary worldwide tariff of up to 15%, before a 10% tariff on Malaysian exports took effect on 24 July 2026.

Fig #8 Revenue of selected passive antenna players (RM'm)



Source: PROVIDENCE, M+Global Research

Substantial Shareholders and Key Management

1. Dato' Seri Goh – Promoter and Substantial Shareholder
A businessman with more than four decades in industrial trading, recycling and waste management, he founded IRM Industries in 1984, focused on reclaiming non-ferrous and precious metals from electronic rejects, and Reclaimtek (M) in 1992. He has been a major shareholder of Emits Technology since February 2016 and advises the Executive Directors on strategy and new growth areas. Post-IPO, he holds a 34.0% direct interest.

2. Ts. Loy Boon Liang – Promoter, Substantial Shareholder and Group Managing Director
Responsible for the group's day-to-day operations, corporate planning and business development. He holds a diploma in Mechanical Engineering from Universiti Teknologi Malaysia and is a Chartered Engineer (UK). He began his career in 1991 at TIM Electronics and held manufacturing roles at Jabil and Plexus before joining Amphenol Malaysia in 2008, where he became General Manager of its antenna manufacturing division in 2012. He co-founded Emits Technology in 2015 and holds a 13.3% direct interest post-IPO.

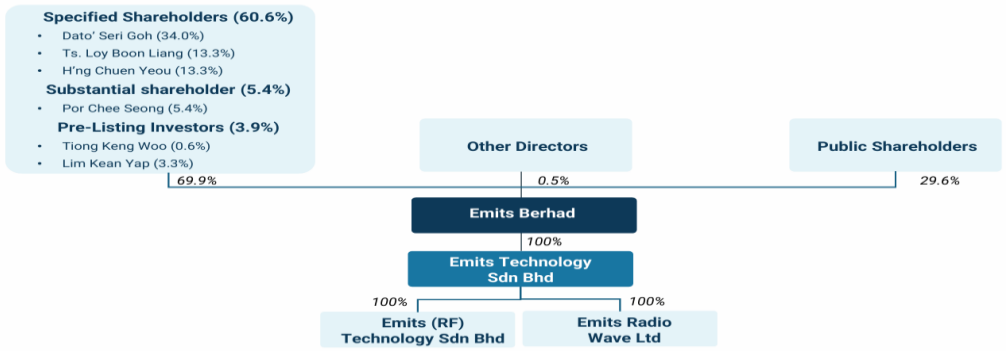
3. H'ng Chuen Yeou – Promoter, Substantial Shareholder and Executive Director
Leads the formulation and execution of the group's business development strategies. He trained in plastic injection moulding technology and mould design, and spent over a decade in moulding operations at Robert Bosch and LKT Plastic Technology, rising to Factory Manager, before serving as General Manager of WSP Plastic Industry. He co-founded Emits Technology in 2015 and holds a 13.3% direct interest post-IPO.

4. Dato' Low Suet Moi – Independent Non-Executive Chairperson
Appointed in November 2025, she brings more than three decades of audit, risk and governance experience. She headed group internal audit at APM Automotive and Tan Chong Motor, served as an Executive Director of Warisan TC Holdings, and was a director at PKF's Risk and Governance Advisory Division before becoming Chief Internal Audit Officer of Prasarana Malaysia. She is a Certified Internal Auditor and Certified Fraud Examiner, with an MBA from the University of Hull.

5. Por Chee Seong – Substantial Shareholder and Chief Technical Officer
Leads the group's R&D and antenna design, and provides RF technical guidance to its engineers. He began his career in 1994 as an engineer at Motorola, before holding antenna R&D roles at Centurion Wireless Components, Amphenol Malaysia and Laird Technologies. He holds a Master of Science in Electronics from The Queen's University of Belfast, joined the group in 2017 and holds a 5.4% direct interest post-IPO.

6. Ho Kooi Yong – Chief Operating Officer
Oversees manufacturing at the Penang Factory, including mechanical engineering, production and supply chain management, as well as the Taiwan assembly line. He holds a Diploma in Electronic Engineering and spent nearly 12 years in antenna manufacturing at Amphenol Malaysia. He joined Emits Technology in 2016 as a Mechanical Engineer, became Mechanical Engineering Director in 2019 and was re-designated Chief Operating Officer in October 2025.

Fig #9 Post-IPO shareholding structure



Source: Emits Berhad

Fig #10 Use of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Working capital	6.8	45.3	Within 24 months
Purchase of machinery and equipment	4.0	26.7	Within 24 months
Estimated expenses for our listing	4.2	28.0	Within 1 month
Total	15.0	100.0	

Source: Emits Berhad

Business overview

LMR antennas — 91.6% of FY25 revenue. Antennas for two-way radios and walkie-talkies used in public safety and other private mobile radio communication, covering the VHF, UHF, 7/8/900 MHz and GPS bands. Most are built to the customer's design, while the group also designs antenna engines and optimises existing designs. Revenue includes prototypes and tooling for new models, which lead into mass production. The segment runs on 13 dedicated lines in Penang, with certain models finished at the Taiwan Assembly Line, and contributed 95.2% of FY25 gross profit.

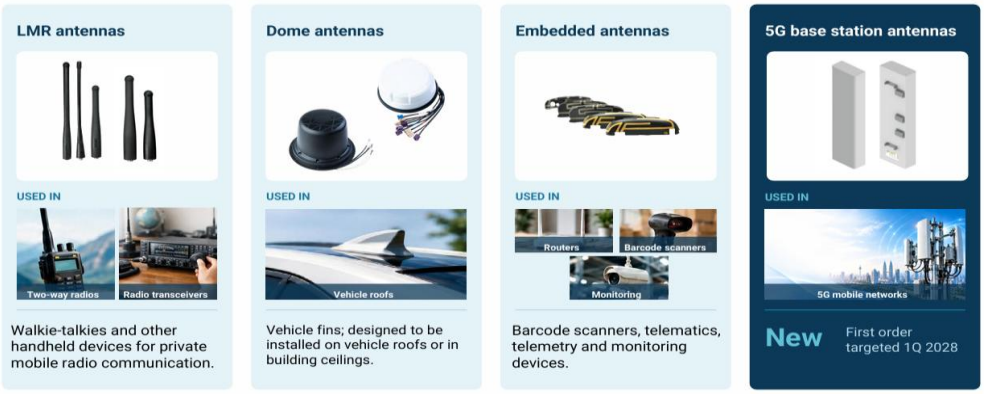
Dome antennas — 3.8% of FY25 revenue. Omni-directional antennas installed on vehicle roofs or building ceilings, which transmit and receive signals in all directions for vehicle communications and in-building coverage. They cover the GPS, cellular, LTE and Wi-Fi bands, serving consumer, automotive and industrial electronics, and are produced on two lines shared with embedded antennas.

Embedded antennas — 2.2% of FY25 revenue. Antennas built into the device itself, used in barcode scanners and telematics, telemetry and monitoring equipment. They cover the LTE, cellular, Bluetooth and Wi-Fi bands, serving industrial electronics, and are produced on two lines shared with dome antennas.

Others — 2.4% of FY25 revenue. Other antenna types, produced on spare capacity of the existing LMR, embedded and dome lines.

5G base station antennas — new. Antennas used in mobile networks to transmit and receive signals between the network and users' devices, covering the 5G, cellular and LTE bands. They are technically more complex than EMITS' existing products. The group has built four dedicated lines in Penang with annual capacity of about 6,336 units, fully paid before the IPO. It is developing the product for CCI, a US wireless network equipment company, with first mass production targeted for 1Q28. CCI may require 4,000–6,000 units a year at an indicative price of at least USD1,000.

Fig #11 Types of antennas manufactured by EMITS



Source: Emits Berhad

Fig #12 SWOT analysis of EMITS

Strength	Weakness
• **Sticky anchor customer.** A 10-year relationship with Motorola Group, renewed under a 2024 Supply Agreement. • **Capacity in place.** LMR lines at 50.0% utilization, with 7,677 sq ft of vacant production floor. • **Net cash.** Pro forma net cash of c.RM14.7m post-IPO; interest cover of 15.3x.	• **Concentrated revenue.** Motorola Group contributed 78.1% of 1H26 revenue; top five customers 91.4–94.8%. • **Currency translation.** 99.8% of revenue in USD; 1H26 revenue fell 10.4% on flat USD sales. • **Short visibility.** No order book; customer forecasts are non-binding.
Opportunity	**Threat**
• **5G base station antennas.** RM16.3–24.5m of potential annual revenue from 1Q28. • **New model introductions.** Dedicated R&D equipment frees capacity for new LMR models. • **Taiwan origin.** Taiwan line serves US customers requiring production in a US trade-agreement country.	• **Trade policy.** 10% US tariff on Malaysia; the USA was 62.4% of FY25 revenue. • **Contract renewal.** Price changes after July 2027 require Motorola's prior approval. • **Competition.** Larger, well-capitalised global antenna makers.

Source: M+Global Research

Financials

Revenue and earnings. The past three years show a business growing in dollars but held back by the ringgit. Revenue jumped 28.1% to RM41.0m in FY24 on mass production of new LMR models for Motorola Group, and gross margin widened 4.9ppts to 30.2% on economies of scale. FY25 revenue eased 3.3% to RM39.6m, as US customers forecast more conservatively under reciprocal tariffs and a weaker USD trimmed translated sales. Gross margin moderated to 28.0% on higher wages and lower volumes, while PAT declined 10.8% to RM5.2m, cushioned by a lower effective tax rate of 16.0% from RM0.6m of tax allowances on 5G machinery. In 1H26, revenue fell 10.4% YoY to RM18.2m on translation, as USD revenue held at USD4.55m. Gross margin eased 2.0ppts to 26.7%, mainly on the weaker USD, while PAT slipped 3.2% to RM2.1m, cushioned by a lower effective tax rate of 17.7%.

Balance sheet. The balance sheet is clean. As at 30 June 2026, the group held RM7.9m of cash against RM6.4m of borrowings, a net cash position of RM1.5m before IPO proceeds, with gearing at 0.2x and a current ratio of 3.5x. Receivables are the item to watch: trade receivable days stood at 100, above credit terms of 30–90 days, reflecting the payment processing cycle of the anchor customer, although 97.4% of the June 2026 balance had been collected by the LPD with the remaining RM0.2m still within credit terms. The Penang Factory was revalued to RM18.5m in December 2025, adding RM4.2m to equity. Total equity stood at RM34.6m, rising to a pro forma NA of RM0.097 per share after the Public Issue.

Cash flow. Cash generation has been consistently positive. Operating cash flow was RM8.7m, RM8.9m and RM6.8m in FY23–FY25 and RM2.7m in 1H26, with cumulative operating cash flow over FY23–FY25 of RM24.4m, 1.8x cumulative PAT. Investing outflows peaked at RM4.3m in FY25, mainly for the four 5G production lines, while financing outflows reflected loan repayments and dividends of RM2.7m in FY24 and RM1.0m in FY25.

Earnings forecasts. Moving forward, we forecast core PATMI to grow at a three-year CAGR of 10.9% to RM7.1m by FY28f, from RM5.1m in FY26f and RM5.8m in FY27f. Our FY26f forecast annualises 1H26 results, implying broadly flat earnings as higher LMR volumes are offset by the stronger ringgit. Our forecasts exclude c.RM3.1m of one-off listing expenses to be charged to P&L in FY26, which would bring reported PATMI to about RM2.0m. From FY27f, we expect growth to come primarily from a gradual ramp-up in LMR volumes on existing capacity, supported by modest annual pricing and mix improvements, with prototype and tooling revenue held in line with historical levels as new models are introduced. We assume modest growth for the smaller embedded, dome and other antenna segments. FY28f revenue steps up 45.0% to RM62.5m as the 5G base station antenna project enters mass production, lifting core PATMI by 22%. Here we conservatively assume volumes at the low end of CCI's indicated range, at pricing in line with the prospectus indication, contributing about a quarter of group revenue, and margins below the group's historical levels given the project's higher input material and labour costs. We assume an average rate of RM4.05/USD, in line with the current spot rate, with 5G revenue priced at the prospectus indication of USD1,000 per unit, translated at RM4.00/USD. We assume an effective tax rate of c.24%, in line with the statutory rate, as the FY25 tax allowances on 5G machinery do not recur. The group does not have a formal dividend policy, but targets a payout ratio of about 20% of PAT, subject to the Board's consideration. Given the funding needs of the 5G ramp-up and R&D build-out, we conservatively do not assume dividends over the forecast period.

Fig #13 Financial Highlights

FYE Dec (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Revenue	41.0	39.6	40.7	43.1	62.5
EBITDA	10.0	7.9	8.6	9.7	11.9
EBIT	8.6	6.7	7.2	8.0	9.9
PBT	7.9	6.2	6.7	7.6	9.3
PAT	5.8	5.2	5.1	5.8	7.1
PATMI – Core	5.8	5.2	5.1	5.8	7.1
PATMI – Reported	5.8	5.2	5.1	5.8	7.1
% change YoY – Core PATMI	169%	-11%	-2%	13%	22%
Core EPS (sen)	1.2	1.1	1.1	1.2	1.5
P/E (x)	12.9	14.4	14.7	13.0	10.6
EV/EBITDA (x)	11.1	14.0	12.8	11.3	9.3
DPS (sen)	0.6	0.2	-	-	-
Yield (%)	3.6%	1.3%	0.0%	0.0%	0.0%
BVPS (RM/share)	0.05	0.07	0.14	0.15	0.17
P/B (x)	3.4	2.3	1.1	1.0	1.0
ROE (%)	34%	19%	10%	8%	9%
Net Gearing (x)	0.1	0.0	CASH	CASH	CASH

Source: Company, M+Global Research

Valuation

We ascribe a fair value of RM0.19 to EMITS, pegging a 15.5x P/E to FY27f EPS of 1.23 sen, implying 18.8% upside to the IPO price of RM0.16. Our target multiple is in line with the 15.5x forward P/E average of its Bursa-listed peers. We include Inari Amertron for its exposure to RF components, the closest listed proxy for EMITS' antenna business, alongside electronics manufacturing services (EMS) and electronics manufacturing players Nationgate, EG Industries, Aurelius Technologies, Cnergenz and JHM Consolidation, which, like EMITS, are export-oriented manufacturers serving global brand owners. At the IPO price, EMITS is priced at 14.4x FY25 and 13.0x FY27f earnings, a 16% discount to the basket that we believe is unwarranted given the quality of its earnings. Adjusting for pro forma net cash of c.RM14.7m, our fair value implies only 12.9x ex-cash FY27f earnings. Measured against forward earnings growth, our target multiple equates to a PEG of 0.9x on an 18.0% core PATMI CAGR over FY26f–FY28f, while the IPO price implies a PEG of only 0.7x.

We see 15.5x as a fair balance between superior profitability and smaller scale. On quality, EMITS earns the highest returns and margins in the basket, with FY25 ROE of 19.0% against the peer average of 7.8%, while its 13.1% net margin is more than double the basket's 5.1%. The same holds within its own industry, where its 28.0% GP margin and 13.1% PAT margin sit above the averages of the Malaysian passive antenna players benchmarked by PROVIDENCE (21.2% and 12.3%), surpassed only by the two Amphenol units, which are 12–16 times its size (Fig #15). This reflects its niche in engineered antennas for mission-critical radios, where qualification hurdles and reliability requirements support pricing, rather than high-volume contract assembly. On the other hand, at RM75.0m its market capitalisation is a fraction of the RM2.5bn peer average, and its earnings rest on a single anchor customer, which warrant some discount for liquidity and concentration. Netting the two, we believe valuing EMITS in line with peers, rather than at a premium, is justified. Our valuation also does not yet capture the full potential of the 5G base station antenna project, which lifts FY28f core EPS to 1.5 sen, or 10.6x at the IPO price. Catalysts for a re-rating include completion of CCI's pre-qualification, a first mass production order and new LMR model wins.

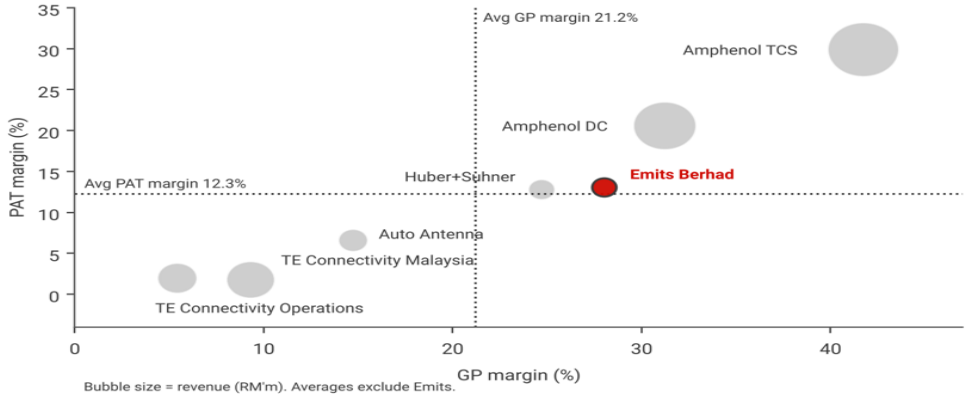
Given that 99.8% of revenue is billed in USD, the ringgit remains the key swing factor in our forecasts. With USD purchases offsetting about 29% of revenue, we estimate that every RM0.10 move in the average RM/USD rate shifts FY27f core PATMI by about 10%, or RM0.6m, and our fair value by about RM0.02 (Fig #16). Our fair value remains above the IPO price unless the ringgit strengthens beyond RM3.95/USD on average.

Fig #14 Peers comparison

Company	Market Group	FYE	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)
Emits Berhad	**ACE**	**Dec**	**0.16**	**75.0**	***14.4**	****13.0**	***19.0**	***13.1**
Inari Amertron Bhd	MAIN	Jun	2.14	8,300.3	63.7	24.2	4.6	10.7
Nationgate Holdings Bhd	MAIN	Dec	1.62	3,646.1	120.9	18.6	3.0	1.6
EG Industries Bhd	MAIN	Jun	1.48	1,424.6	12.0	5.4	17.7	8.0
Aurelius Technologies Bhd	MAIN	Dec	0.65	845.4	15.9	13.8	10.5	10.4
Cnergenz Bhd	MAIN	Dec	1.03	516.1	53.5	18.6	5.9	2.6
JHM Consolidation Bhd	MAIN	Dec	0.50	303.0	21.2	12.4	4.9	-2.9
Avg ex-Emits Berhad				**2,505.9**	**47.9**	**15.5**	**7.8**	**5.1**

*Source: M+Global Research (*FY25, **FY27f)*

Fig #15 Profitability vs Malaysian passive antenna players



Source: PROVIDENCE, M+Global Research

Fig #16 Core PATMI (RM'm) sensitivity to the average RM/USD rate

Avg RM/USD	FY24 @4.548	FY25 @4.251	FY26f	FY27f	FY28f	FY27f EPS (sen)	FV (RM) @15.5x
3.85	2.6	3.2	4.5	4.6	5.4	0.99	0.15
3.95	3.1	3.7	4.8	5.2	6.3	1.11	0.17
4.05 (base)	**3.5**	**4.2**	**5.1**	**5.8**	**7.1**	**1.23**	**0.19**
4.15	4.0	4.7	5.4	6.3	7.9	1.35	0.21
4.25	4.5	5.2	5.7	6.9	8.8	1.47	0.23

Core PATMI (RM'm). FY24–FY25 restated at each rate from the actual average rate applied (reported: RM5.8m and RM5.2m). FY26f flexes 2H26 only.
Net USD exposure: 99.8% USD revenue less USD purchases (FY24: 33.1%, FY25 onwards: 28.9% of revenue); tax at 24%; no pricing pass-through.

Source: M+Global Research

Investment risks

Dependence on Motorola Group. Motorola Group contributed 72.9% of FY25 revenue and 78.1% in 1H26, and the top five customers made up 91.4–94.8% of revenue over FY23–1H26. Any reduction in purchase volumes, shift of models to competing suppliers or termination of the Supply Agreement would weigh materially on earnings, as every 10% cut in Motorola Group's FY25 purchases would remove about RM2.9m of revenue.

Currency translation. With 99.8% of revenue billed in USD, a stronger ringgit lowers reported revenue and earnings, as seen in 1H26, when revenue fell 10.4% on flat USD sales. Every RM0.10 move in the average RM/USD rate shifts annual revenue by about RM0.9m and core PATMI by about RM0.6m, and USD-denominated purchases and term loans provide only a partial natural hedge.

5G project execution and margins. There is no certainty that Emits will pass CCI's pre-qualification, which now depends on a revised design that CCI expects to deliver only within six to nine months of the LPD, or that volumes will reach the 4,000–6,000 units a year indicated. The prospectus also cautions that 5G base station antennas carry higher input material and labour costs, so the project's gross margin may fall below the group's historical 25.3–30.2%. If the project does not proceed, the lines would need to be repurposed for other 5G antennas, at an estimated cost of up to RM0.1m.

Pricing and limited visibility. Prices under the Supply Agreement are fixed for the initial term to July 2027, and any adjustment on renewal requires Motorola's prior approval, while a most-favoured-customer clause caps prices relative to other buyers. The group

does not maintain an order book, as customers place weekly or monthly purchase orders against non-binding forecasts, so earnings visibility rarely extends beyond a few quarters.

US trade policy. The USA accounted for 62.4% of FY25 revenue, and the reciprocal tariff framework led US customers to forecast end-user demand more conservatively, contributing to lower LMR volumes in FY25. Malaysian exports currently face a 10% tariff, and any escalation could again dampen demand or pressure pricing from US customers.

Environmental, Social and Governance (ESG) Practices

Environmental

- **Measured footprint.** Emits Technology is certified to ISO 14001:2015 and has quantified its Scope 1, 2 and 3 emissions. Its 2024 GHG emissions were 7,405.5 tCO2e, of which 90.9% was Scope 3 from purchased materials and services, and scheduled waste is disposed of only through licensed collectors. The industry is not listed among high-emission sectors under the Environmental Quality (Clean Air) Regulations 2014.

Social

- **Responsible supply chain.** The group has adopted the Responsible Business Alliance code of conduct, which governs labour, health and safety and ethics in electronics supply chains. Its manpower service agreements expressly bar forced, bonded or indentured labour, which is relevant given its reliance on contract workers for manual assembly. All 54 employees are Malaysian, with no industrial disputes reported.

Governance

- **Board oversight.** Four of seven directors are independent, including the Chairperson, who brings a career in internal audit and risk management, and three of the seven directors are women. The independent directors were appointed in November 2025, so their oversight should be assessed through future conduct.
- **Promoter alignment.** The specified shareholders, comprising the promoters and a connected party, will hold 60.7% of the enlarged share capital post-IPO, all of it under a six-month moratorium, after which 45.0% remains locked up for a further six months and can then be released at one-third a year. This limits near-term selling pressure, while the concentrated shareholding means minority interests depend on the independent directors' oversight.

Disclaimer

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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