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<b>Recommendation:</b>	<b>BUY</b>
Current Price:	RM 3.29
Previous Target Price:	RM 4.17
Target Price:	↔ RM 4.17
Capital Upside/Downside:	26.7%
Dividend Yield (%):	2.4%
<b>Total Upside/Downside:</b>	<b>29.1%</b>

<b>Stock information</b>	
Board	MAIN
Sector	EMS
Bursa / Bloomberg Code	5302 / ATECHMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	433.5
Market Cap (RM' m)	1,426.3
52-Week Price Range (RM)	3.89-2.7
Beta (x)	0.8
Free float (%)	55.3
3M Average Volume (m)	0.4
3M Average Value (RM' m)	1.2

<b>Top 3 Shareholders</b>	<b>(%)</b>
Main Stream Limited	16.1
Employees Provident Fund Board	11.1
Abrdn Plc	9.8

#### Share Price Performance



	1M	3M	12M
Absolute (%)	4.4	6.1	-6.8
Relative (%)	6.8	10.6	-1.3

#### Earnings summary

FYE (Dec)	FY24	FY25F	FY26F
Revenue (RM' m)	600.7	713.1	794.7
PATAMI (RM' m)	61.0	72.3	79.2
CNP (RM' m)	61.9	72.3	79.2
EPS - core (sen)	14.3	16.7	18.3
P/E(x)	21.2	18.2	16.6

Source: Company, Apex Securities

# Aurelius Technologies Berhad

## 1QFY25: In line with resilient loading

- **1QFY25 CNP of RM16.1m came within expectations, accounting for 22% of our full-year forecast, with seasonally weaker performance in 1Q. YoY, CNP rose 2.3%, supported by stronger volume loading; QoQ, profit remained flattish despite a 7.9% revenue drop, aided by forex gains and reduced refund liabilities.**
- **Maintain FY25F/FY26F forecasts, supported by robust order book of RM494.6m and demand resilience from industrial clients.**
- **Reiterate BUY with unchanged TP of RM4.17, based on 25x FY25F EPS of 16.7 sen; TP to be revised post ex-date of the bonus issue.**

**Results within expectations.** 1Q25 CNP stood at RM16.1m, in line with our expectations, accounting for 22% of our full-year forecast, with seasonally weaker Q1 performance.

**YoY.** CNP rose 2.3% yoy, mainly supported by higher volume loading from customers, particularly its largest communication customer. Revenue grew 17.6% yoy, though GP margin declined by 0.8ppts due to an unfavourable USD/MYR forex translation, higher labour costs, and a 25% hike in electricity tariffs.

**QoQ.** CNP was flattish qoq despite the seasonally weaker Q1 and a 7.9% drop in revenue, thanks to a slight improvement in USD/MYR and a reduction in refund liabilities compared to the previous quarter.

**Dividend.** A first interim dividend of 3.6 sen/share was declared, payable on 15 July 2025.

**Bonus issue.** ATECH has fixed the terms for its previously proposed bonus issue, entailing 2 bonus shares for every 1 existing share and 1 free warrant for every 1 existing share, with an exercise price of RM1.16 per warrant. This represents a 5.44% premium to the theoretical ex-bonus price (TEBP) based on the current market price. We view this corporate exercise positively as it is expected to enhance trading liquidity and potentially attract greater institutional participation. Our TP will be adjusted post ex-date to reflect the enlarged share base.

**Outlook.** While ongoing geopolitical tensions have sparked concerns over supply chain relocation and demand visibility, we believe any meaningful shift remains unlikely due to the prohibitive costs involved. Nonetheless, we remain positive on ATECH's demand outlook, underpinned by resilient customer volume loading, which reflects sustained demand and strong customer stickiness, particularly from its industrial-centric clientele that is less exposed to short-term disruptions. This is further supported by a robust order book of RM494.6m (vs RM437m in the previous quarter), indicating solid near-term earnings visibility. Meanwhile, the ramp-up of the P5 plant in 2H25, targeting high-growth verticals such as IoT, AI, and automotive, offers promising long-term structural growth potential.

**Earnings Revision.** No changes to our FY25F and FY26F earnings forecasts as results came within expectations and are backed by a resilient order book.

**Valuation.** Reiterate **BUY** with an unchanged TP of **RM4.17**, based on 25.0x FY25F EPS of 16.7 sen, with a 0% ESG premium/discount reflecting its three-star ESG rating.

**Risk.** Lingering uncertainties related to Trump-era tariffs.

# Results Note

Tuesday, 03 Jun, 2025

## Results Comparison

FYE Sep (RM m)	1QFY25	1QFY24	yoy (%)	4QFY24	qoq (%)	3MFY25	3MFY24	yoy (%)	Comments
Revenue	147.9	125.7	17.6	160.5	(7.9)	147.9	125.7	17.6	
Gross Profit	22.5	20.2	11.7	20.4	10.4	22.5	20.2	11.7	
Pre-tax profit	20.8	21.0	(1.0)	27.0	(22.9)	20.8	21.0	(1.0)	
Net profit	16.1	15.7	2.3	28.5	(43.5)	16.1	15.7	2.3	
Core net profit	16.1	15.7	2.3	16.1	0.0	16.1	15.7	2.3	
Core EPS (sen)	3.7	3.6	2.3	3.7	0.0	3.7	3.6	2.3	
GP margin (%)	15.2	16.1		12.7		15.2	16.1		
PBT margin (%)	14.1	16.7		16.8		14.1	16.7		
Core net profit margin (%)	10.9	12.5		10.0		10.9	12.5		

## Segmental Breakdown

FYE Dec (RM m)	1QFY25	1QFY24	yoy (%)	4QFY24	qoq (%)	3MFY25	3MFY24	yoy (%)	Comments
<b>Revenue</b>									
Communication and IoT products	124.6	95.2	30.8	130.0	(4.2)	124.6	95.2	30.8	
Electronics devices	15.2	25.0	(39.0)	24.3	(37.4)	15.2	25.0	(39.0)	
Semiconductor Components	8.1	5.5	46.2	6.1	31.2	8.1	5.5	46.2	
<b>Total</b>	<b>147.9</b>	<b>125.7</b>	<b>17.6</b>	<b>160.5</b>	<b>(7.9)</b>	<b>147.9</b>	<b>125.7</b>	<b>17.6</b>	
<b>Geographical</b>									
<b>Revenue</b>									
Malaysia	33.3	31.8	4.6	43.1	(22.8)	33.3	31.8	4.6	
Americans	88.1	63.3	39.2	85.9	2.6	88.1	63.3	39.2	
Asia Pacific (excluding Malaysia)	17.6	19.5	(9.8)	17.8	(1.5)	17.6	19.5	(9.8)	
Europe	8.9	10.9	(18.5)	13.6	(34.7)	8.9	10.9	(18.5)	
<b>Total</b>	<b>147.9</b>	<b>125.5</b>	<b>17.8</b>	<b>160.5</b>	<b>(7.9)</b>	<b>147.9</b>	<b>125.5</b>	<b>17.8</b>	

Source: Company, Apex Securities

# Results Note

Tuesday, 03 Jun, 2025

## Financial Highlights

### Income Statement

FYE Dec (RM m)	FY22*	FY23**	FY24	FY25F	FY26F
<b>Revenue</b>	<b>482.4</b>	<b>385.6</b>	<b>600.7</b>	<b>713.1</b>	<b>794.7</b>
<b>Gross Profit</b>	<b>60.2</b>	<b>50.0</b>	<b>82.9</b>	<b>110.5</b>	<b>123.2</b>
Other income	1.4	6.6	5.1	2.0	0.5
Administrative expenses	-17.1	-12.0	-21.6	-19.3	-21.5
Selling and Distribution expenses	-0.4	-0.4	-0.3	-0.6	-0.6
<b>Operating Profit</b>	<b>44.2</b>	<b>44.2</b>	<b>66.2</b>	<b>92.7</b>	<b>101.6</b>
Finance income/(costs)	-3.9	1.6	4.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>40.3</b>	<b>45.8</b>	<b>70.2</b>	<b>92.7</b>	<b>101.6</b>
Tax	-3.0	-7.5	-9.2	-20.4	-22.3
<b>Profit After Tax</b>	<b>37.2</b>	<b>38.2</b>	<b>61.0</b>	<b>72.3</b>	<b>79.2</b>
Minority Interest	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>37.2</b>	<b>38.2</b>	<b>61.0</b>	<b>72.3</b>	<b>79.2</b>
Exceptionals	0.0	0.0	0.8	0.0	0.0
<b>Core Net Profit</b>	<b>37.2</b>	<b>38.2</b>	<b>61.9</b>	<b>72.3</b>	<b>79.2</b>

### Key Ratios

FYE Sep	FY22*	FY23**	FY24	FY25F	FY26F
EPS (sen)	8.6	8.8	14.3	16.7	18.3
P/E (x)	35.3	34.3	21.2	18.2	16.6
P/B (x)	5.7	4.0	2.7	2.3	2.0
DPS (sen)	0.9	2.0	6.0	7.9	7.9
Dividend Yield (%)	0.3%	0.7%	2.0%	2.6%	2.6%
GP margin (%)	12.5%	13.0%	13.8%	15.5%	15.5%
Operating margin (%)	9.2%	11.5%	11.0%	13.0%	12.8%
PBT margin (%)	8.4%	11.9%	11.7%	13.0%	12.8%
PAT margin (%)	7.7%	9.9%	10.2%	10.1%	10.0%
NP margin (%)	7.7%	9.9%	10.2%	10.1%	10.0%
CNP margin (%)	7.7%	9.9%	10.3%	10.1%	10.0%
ROE (%)	16.1%	11.6%	12.7%	12.7%	12.2%
ROA (%)	8.9%	7.8%	9.2%	10.6%	10.2%
Gearing (%)	40.5%	6.6%	0.7%	0.1%	0.1%
Net gearing (%)	22.5%	Net Cash	Net Cash	Net Cash	Net Cash

### Valuations

	FY25F
Core EPS (RM)	0.167
P/E multiple (x)	25.0
<b>Fair Value (RM)</b>	<b>4.17</b>
ESG premium/discount	0.0%
<b>Implied Fair Value (RM)</b>	<b>4.17</b>

Source: Company, Apex Securities

\*11months data due to change in FYE to 31Dec

\*\*Based on FYE 31Jan

### Balance Sheet

FYE Dec (RM m)	FY22*	FY23**	FY24	FY25F	FY26F
Cash	41.7	67.0	158.1	161.3	182.0
Receivables	131.8	99.1	144.2	128.4	143.1
Inventories	101.7	154.9	132.6	138.6	154.5
Other current assets	26.9	42.9	35.1	18.7	18.2
<b>Total Current Assets</b>	<b>302.2</b>	<b>364.0</b>	<b>470.0</b>	<b>447.0</b>	<b>497.7</b>
Fixed Assets	115.4	122.3	199.5	236.5	276.4
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	1.8	0.9	0.0	0.0	0.0
<b>Total Non-current assets</b>	<b>117.2</b>	<b>123.2</b>	<b>199.5</b>	<b>236.5</b>	<b>276.4</b>
Short-term Debt	72.7	5.2	1.6	0.3	0.3
Payables	69.0	94.1	113.6	90.1	100.4
Other Current Liabilities	15.3	28.1	49.0	15.1	15.1
<b>Total Current Liabilities</b>	<b>157.1</b>	<b>127.4</b>	<b>164.1</b>	<b>105.4</b>	<b>115.7</b>
Long-term Debt	21.1	16.7	1.9	0.2	0.2
Other non-current liabilities	9.6	12.9	15.2	7.7	7.9
<b>Total Non-current Liabilities</b>	<b>30.7</b>	<b>29.5</b>	<b>17.1</b>	<b>7.9</b>	<b>8.1</b>
Shareholder's equity	231.6	330.3	488.3	571.1	650.3
Minority interest	0.0	0.0	0.0	0.0	0.0
<b>Equity</b>	<b>231.6</b>	<b>330.3</b>	<b>488.3</b>	<b>571.1</b>	<b>650.3</b>

### Cash Flow

FYE Dec (RM m)	FY22*	FY23**	FY24	FY25F	FY26F
<b>Pre-tax profit</b>	<b>40.3</b>	<b>45.8</b>	<b>70.2</b>	<b>92.7</b>	<b>101.6</b>
Depreciation & amortisation	8.5	11.7	12.9	19.1	23.6
Changes in working capital	-9.5	13.5	8.0	-17.7	-19.7
Others	1.7	-5.6	-15.5	-20.4	-22.3
<b>Operating cash flow</b>	<b>41.0</b>	<b>65.3</b>	<b>75.6</b>	<b>73.8</b>	<b>83.2</b>
Net capex	-39.6	-17.7	-89.5	-64.2	-63.6
Others	-1.3	-9.3	24.2	74.4	28.0
<b>Investing cash flow</b>	<b>-40.9</b>	<b>-26.9</b>	<b>-65.3</b>	<b>10.2</b>	<b>-35.6</b>
Changes in borrowings	-19.3	-72.5	-18.4	-37.5	0.0
Issuance of shares	0.0	77.2	130.8	0.0	0.0
Dividends paid	-7.2	-16.9	-33.9	-25.3	-27.7
Others	-0.19	-1.21	0.00	0.00	0.00
<b>Financing cash flow</b>	<b>-26.65</b>	<b>-13.46</b>	<b>77.76</b>	<b>-62.76</b>	<b>-27.69</b>
<b>Net cash flow</b>	<b>-26.60</b>	<b>24.85</b>	<b>88.11</b>	<b>21.24</b>	<b>19.92</b>
Forex	-1.32	0.48	0.93	0.80	0.80
<b>Others</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.00</b>
Beginning cash	69.64	41.71	50.24	139.28	161.32
<b>Ending cash</b>	<b>41.71</b>	<b>67.04</b>	<b>139.28</b>	<b>161.32</b>	<b>182.04</b>
FD with more than 3 months	0.00	0.00	18.80	0.00	0.00
<b>Cash and Bank equivalents</b>	<b>41.71</b>	<b>67.04</b>	<b>158.08</b>	<b>161.32</b>	<b>182.04</b>

# Results Note

Tuesday, 03 Jun, 2025

## ESG Matrix Framework:

### Environment

Parameters	Rating	Comments
Climate	★★★	Disclosed Scope 1 and Scope 2 GHG emissions (3,588.06 tCO <sub>2</sub> e); emissions intensity per revenue tracked; aligned with Bursa Malaysia's Sustainability Reporting Guide .
Waste & Effluent	★★★	Identified waste as a material sustainability matter; disclosed general initiatives (e.g., scheduled waste management) but lacks detailed breakdown of waste type or recycling rates .
Energy	★★★	Monitored energy consumption, particularly from electricity and diesel; reported usage figures; no mention of renewable energy initiatives .
Water	★★★	Water use is briefly acknowledged as part of environmental impact, but lacks specific data or conservation efforts .
Compliance	★★★	No environmental non-compliance incidents or fines recorded; demonstrates adherence to environmental laws and standards .

### Social

Diversity	★★★	Promotes an inclusive workplace with equal opportunities and fair employment practices.
Human Rights	★★★	Upholds freedom of association, minimum wage compliance, and anti-discrimination policies; no reported violations .
Occupational Safety and Health	★★	Reported zero workplace fatalities; OSH Committee established; incident data tracked and addressed (2 minor injuries); certified to ISO 45001 .
Labour Practices	★★★	Conducted 3,956 training hours in FYE 2024 across all staff levels; strong emphasis on upskilling with fair employment policies and workplace inclusiveness.

### Governance

CSR Strategy	★★★	Community engagement mainly through corporate donations and ad-hoc initiatives; no structured long-term CSR roadmap.
Management	★★★	ESG risks identified through materiality matrix; Board oversight via Sustainability Committee; integrated ESG metrics into risk management .
Stakeholders	★★★	4x analyst briefings per annum, 1x AGM per annum

Overall ESG Scoring: ★★★

## Recommendation Framework:

**BUY:** Total returns\* are expected to exceed 10% within the next 12 months.

**HOLD:** Total returns\* are expected to be within +10% to – 10% within the next 12 months.

**SELL:** Total returns\* are expected to be below -10% within the next 12 months.

**TRADING BUY:** Total returns\* are expected to exceed 10% within the next 3 months.

**TRADING SELL:** Total returns\* are expected to be below -10% within the next 3 months.

\*Capital gain + dividend yield

## Sector Recommendations:

**OVERWEIGHT:** The industry defined by the analyst is expected to exceed 10% within the next 12 months.

**NEUTRAL:** The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.

**UNDERWEIGHT:** The industry defined by the analyst, is expected to be below -10% within the next 12 months.

## ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

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As of **Tuesday, 03 Jun, 2025**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.