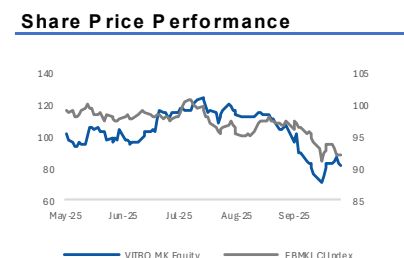


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Recommendation:	BUY
Current Price:	RM 4.64
Previous Target Price:	RM 5.00
Target Price:	↑ RM 5.10
Capital Upside/Downside:	9.9%
Dividend Yield (%):	0.3%
Total Upside/Downside	10.3%

Stock information	
Board	MAIN
Sector	Technology
Bursa / Bloomberg Code	0097 / VITROMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	1,893.2
Market Cap (RM' m)	8,784.6
52-Week Price Range (RM)	4.8-2.28
Beta (x)	1.2
Free float (%)	31.8
3M Average Volume (m)	2.6
3M Average Value (RM' m)	10.7

Top 3 Shareholders	(%)
Chu Jenn Weng	26.6
Siaw Kok Tong	17.7
Yeoh Shih Hoong	8.6



	1M	3M	12M
Absolute (%)	21.1	22.4	34.5
Relative (%)	20.8	16.4	34.9

Earnings summary			
FYE (Dec)	FY24	FY25F	FY26F
Revenue (RM'm)	552.3	759.7	918.2
PATAMI (RM'm)	90.4	132.9	185.9
CNP (RM'm)	107.7	132.9	185.9
EPS - core (sen)	5.7	7.0	9.8
P/E(x)	81.5	66.0	47.2

Source: Company, Apex Securities

ViTrox Corporation Berhad

Entering a higher gear in FY26

- **ABI is on track for steady sequential growth, with sales likely exceeding RM130m in 4Q25 (3Q25: RM127m), backed by growing order backlog a solid order visibility from China and Mexico.**
- **MVS-T is conservatively guided to ship 40–60 units in 4Q25 (3Q25: 52 units), though we believe deliveries will likely come in at the upper range, amidst ongoing capacity expansion by key OSAT customers in Taiwan and China.**
- **We expect the group to achieve yet another record high quarterly revenue in 4Q25, buoyed by sequential expansion across ABI and MVS segments.**
- **ViTrox's growth momentum should accelerate in FY26, underpinned by lower ETR post-renewal of pioneer status incentives and improved product mix. With new models making up bulk of its sales by 2H26, we anticipate a double-digit growth in blended ASP for its product portfolio in FY26, which should drive both revenue growth and margin expansion.**
- **Revised our FY25/26/27F earnings upward by 5%/3%/1% after imputing slightly higher unit shipment assumption for MVS-T segment. Maintain BUY rating with a slightly higher TP of RM5.10, derived from a 46x PE multiple applied to mid-FY26F EPS.**

We came away from ViTrox's analyst briefing with the following key takeaways:

A closer look at 3Q25 results. The record high 3Q25 quarterly revenue of RM228.6m (+25% QoQ) was primarily driven by MVS-T sales of RM79.4m (+49% QoQ) following record shipments of 52 units during the quarter (2Q25: 33). The surge was led by robust demand for tray-based wafer handlers, particularly from back-end semiconductor inspection customers in Taiwan and China for AI and memory-related applications. Meanwhile, ABI segment delivered moderate growth to RM127.3m (+14% QoQ) as its new QX1 AXI model and 3D AOI machines gained traction in 3Q25. In summary, management observed broad-based recovery and decreasing order lead time across AI, automotive (EV), aerospace and consumer industries.

Setting stage for record quarterly sales in 4Q25. We expect the group to achieve yet another record high quarterly revenue in 4Q25, buoyed by sequential expansion across ABI and MVS. The MVS-T segment is conservatively guided to ship 40–60 units in 4Q25 (3Q25: 52 units), though we believe deliveries will likely come in at the upper range, backed by a healthy sales funnel of around 80 machines for the next six months amid ongoing capacity expansion by key OSAT customers in Taiwan and China. ViTrox noted that there could be further upside in sales volume, should it navigate the current supply chain bottlenecks effectively.

Meanwhile, ABI is on track for steady sequential growth, with sales likely exceeding RM130m in 4Q25 (3Q25: RM127m) in our view, backed by growing order backlog to RM86m (22 Oct) (vs RM60m at end-Sep) amidst solid order visibility from China and Mexico. Management highlighted strong uptake of its next-generation QX1-HR AXI machine with 11 orders already secured, driven by AI server and 5G applications, while its new die sorting machine (V510Ai DST) is highly sought after for automotive back-end inspection processes.

Growth acceleration ahead for FY26. We expect the growth momentum to accelerate in FY26, underpinned by lower effective tax rate (ETR) and improved product mix. Management expressed confidence of securing renewal of its pioneer status incentive for new products by end-4Q25. If materialised, its ETR is estimated to ease to mid-teens in 1H26 and further decline to single digits in 2H26 as legacy products are gradually phased out over the year. Our current ETR assumption for FY26 stood at a conservative 15%. Additionally, with new models making up bulk of its sales (c.80%) by 2H26, we anticipate a double-digit growth in blended ASP for its product portfolio in FY26, which should drive both revenue growth and margin expansion.

Forecast. We have revised our FY25/26/27F earnings upward by 5%/3%/1% after imputing slightly higher unit shipment assumption for MVS-T division.

Valuation & Recommendation. We maintain **BUY** rating with a slightly higher TP of **RM5.10**, derived from a 46x PE multiple applied to mid-FY26F EPS of 11.1 sen. Our target multiple, which represents +1SD above ViTrox's 5-year historical average PE of 40x, reflects our view that the stock is poised for a rerating on the back of: (i) rising exposure to high-growth segments such as HPC/AI server manufacturing and advanced semiconductor packaging, and (ii) strong double-digit earnings growth over our forecast horizon, supported by the semiconductor capex upcycle to meet AI-driven demand.

Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	574.9	552.3	759.7	918.2	996.1
EBITDA	156.8	120.2	188.1	232.8	271.1
EBIT	145.7	107.4	174.7	220.4	257.0
PBT	141.6	103.3	171.4	217.6	253.0
Tax	-14.0	-13.9	-39.4	-32.6	-20.2
Profit After Tax	127.6	89.4	131.9	185.0	232.8
Minority Interest	-0.7	-0.9	-1.0	-0.9	-1.0
Net Profit	128.3	90.4	132.9	185.9	233.8
Exceptionals	-1.7	17.4	0.0	0.0	0.0
Core Net Profit	126.6	107.7	132.9	185.9	233.8

Key Ratios

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Core EPS (sen)	6.7	5.7	7.0	9.8	12.4
P/E (x)	69.3	81.5	66.0	47.2	37.5
BVPS	0.51	0.54	0.59	0.67	0.77
P/B (x)	9.2	8.6	7.8	6.9	6.0
EV/EBITDA (x)	53.9	70.3	44.9	36.3	31.2
DPS (sen)	1.7	1.2	1.4	2.0	2.5
Dividend Yield (%)	0.4%	0.3%	0.3%	0.4%	0.5%
EBITDA margin (%)	27.3%	21.8%	24.8%	25.4%	27.2%
EBIT margin (%)	25.3%	19.4%	23.0%	24.0%	25.8%
PBT margin (%)	24.6%	18.7%	22.6%	23.7%	25.4%
PAT margin (%)	22.2%	16.2%	17.4%	20.1%	23.4%
NP margin (%)	22.3%	16.4%	17.5%	20.2%	23.5%
CNP margin (%)	22.0%	16.5%	17.5%	20.2%	23.5%
ROE (%)	13.2%	10.5%	11.8%	14.6%	16.0%
ROA (%)	10.9%	8.9%	9.9%	12.1%	13.3%
Net gearing (%)	NET CASH NET CASH NET CASH NET CASH NET CASH				

Assumptions

RM/USD	4.56	4.57	4.30	4.20	4.20
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Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Cash & cash equivalent	389.0	340.1	284.0	322.9	460.6
Receivables	191.1	237.0	326.0	394.0	427.4
Inventories	198.6	201.4	273.5	330.6	358.7
Other current assets	22.9	44.4	44.4	44.4	44.4
Total Current Assets	801.6	822.9	927.9	1091.9	1291.1
PPE	210.3	222.1	248.8	281.4	297.3
Investment properties	46.6	55.6	55.6	55.6	55.6
Other non-current assets	107.9	108.3	108.3	108.3	108.3
Total Non-current assets	364.8	386.0	412.7	445.3	461.2
Short-term Debt	13.5	13.0	8.0	18.0	25.5
Payables	115.2	101.4	137.7	166.5	180.6
Other Current Liabilities	25.7	33.6	33.6	33.6	33.6
Total Current Liabilities	154.3	148.0	179.3	218.0	239.6
Long-term Debt	48.9	34.9	29.9	39.9	47.4
Other non-current liabilities	5.7	7.0	7.0	7.0	7.0
Total Non-current Liabilities	54.7	41.9	36.9	46.9	54.4
Shareholder's equity	958.9	1021.5	1127.8	1276.5	1463.6
Minority interest	-1.5	-2.4	-3.4	-4.3	-5.3
Total Equity	957.4	1019.1	1124.4	1272.2	1458.2

Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Pre-tax profit	141.6	103.3	171.4	217.6	253.0
Depreciation & amortisation	11.1	12.8	13.3	12.4	14.1
Changes in working capital	3.5	-72.0	-124.8	-96.4	-47.4
Others	2.2	-4.2	-39.4	-32.6	-20.2
Operating cash flow	158.4	39.9	20.5	101.0	199.5
Net capex	-75.1	-35.9	-40.0	-45.0	-30.0
Others	2.4	-2.9	0.0	0.0	0.0
Investing cash flow	-72.7	-38.8	-40.0	-45.0	-30.0
Dividends paid	-51.0	-32.6	-26.6	-37.2	-46.8
Others	-16.2	-16.4	-10.0	20.0	15.0
Financing cash flow	-67.2	-49.0	-36.6	-17.2	-31.8
Currency translation differences	0.1	-0.9	0.0	0.0	0.0
Net cash flow	18.6	-48.9	-56.1	38.9	137.7
Beginning cash & cash equivalent	370.4	389.0	340.1	284.0	322.9
Ending cash & cash equivalent	389.0	340.1	284.0	322.9	460.6

Valuations Mid-FY26F

Core EPS (RM)	11.1
P/E multiple (x)	46.0
Fair Value (RM)	5.10
ESG premium/discount	0.0%
Implied Fair Value (RM)	5.10

Source: Company, Apex Securities

Company Update

Monday, 27 Oct, 2025

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Scope 2 emissions rose 7.4% yoy to 6.7m/kg in FY23
Waste & Effluent	★★★	Co2 emissions reduced from 3.0m kg in FY21 to 2.5m kg in FY23
Energy	★★★	Energy consumption reduced from 8,014,556 kWh to 7,810,114 kWh
Water	★★★	Water consumption rose 5.4% yoy to 112,658m3 in FY23
Compliance	★★★	In compliance with local and international environmental regulations

Social

Diversity	★★★	73% of average employees age below 40, 21% of employees are female
Human Rights	★★★	Enforce and adopts Code of Ethics and Conduct
Occupational Safety and Health	★★	292 hours of OSH trainings completed, one worksite incidence in FY23
Labour Practices	★★★	Pay scale based on prevailing industry market rates as stipulated by the Act 732 National Wages Consultative Council Act

Governance

CSR Strategy	★★★	Donation to Sekolah Semangat Maju and participated in the Pesta Makanan Amal 2023
Management	★★	Average board members age @ 53, 2/9 female board composition, 4/9 Independent Directors
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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(a) nil.