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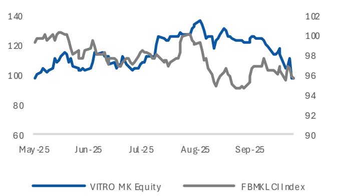
Recommendation:	BUY
Current Price:	RM4.52
Previous Target Price:	RM4.95
Target Price: ↑	RM5.30
Capital Upside/Downside:	17.3%
Dividend Yield (%):	0.3%
Total Upside/Downside	**17.7%**

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)	8,557.4
52-Week Price Range (RM)	4.84-2.28
Beta (x)	1.3
Free float (%)	31.8
3M Average Volume (m)	1.5
3M Average Value (RM' m)	6.4

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

Share Price Performance



	1M	3M	12M
Absolute (%)	2.5	6.9	34.5
Relative (%)	2.7	-0.3	22.8

Earnings summary			
FYE (Dec)	FY25	FY26F	FY27F
Revenue (RM'm)	843.1	962.2	1028.4
PATAMI (RM'm)	133.2	194.8	241.4
CNP (RM'm)	142.4	194.8	241.4
EPS - core (sen)	7.5	10.3	12.8
P/E (x)	60.0	43.9	35.4

Source: Company, Apex Securities

ViTrox Corporation Berhad

Record quarterly revenue to cap off FY25

- **ViTrox posted 4QFY25 core net profit of RM44.6m (+32% QoQ, +49% YoY), bringing FY25's sum to RM142.4m (+28% YoY). The results exceeded both our and street expectations, coming in at 107% of FY25 forecasts due to better-than-expected billings from both MVS and ABI segments.**
- **The group's 4QFY25 book-to-bill ratio stood at 1.1x (3QFY25: 1.2x), still indicating sustained demand momentum heading into the next quarter despite a record-high revenue base.**
- **We raise our FY26/27 forecasts by 8.1%/6.5% by imputing higher sales unit assumptions for both ABI and MVS segments. Maintain BUY rating with a higher TP of RM5.30 (from RM4.95), derived from a 46x PE multiple applied to mid-FY26F EPS of 11.5 sen.**

Results beat. ViTrox posted 4QFY25 core net profit of RM44.6m (+32% QoQ, +49% YoY), bringing FY25's sum to RM142.4m (+28% YoY). The results exceeded both our and street expectations, coming in at 107% of FY25 forecasts. The positive deviation stemmed from better-than-expected billings from both MVS and ABI segments. 4QFY25 results were arrived after adjusting for forex loss (RM9m), impairment loss on financial assets (-RM4m), net inventories written down (RM1m) and fair value gain on financial instruments (-RM2m) and fair value gain on investment properties (RM5.8m).

QoQ. Revenue grew 27% thanks to stronger contribution from both ABI and MVS segments as a result of demand upcycle from both back-end semiconductor and EMS to support higher process control intensity for advanced packaging and AI server manufacturing. Core earnings jumped at a faster clip at 32%, aided by lower effective tax rate at 25% (3QFY25: 32%). During the quarter, the group secured pioneer tax incentives from MIDA for its new 4D Advanced Industrial Automation Systems and equipment related to semiconductor advanced packaging and AI smart factories, although the earnings impact remains limited as the bulk of revenue is still derived from non-pioneer products, in our view.

YoY/YTD. Core net profit surged 49% YoY/28% YTD propelled by escalating sales volume from both ABI and MVS segments due to the aforementioned reasons in QoQ para. However, earnings growth would have been greater if not for a higher effective tax rate of 25% (FY24: 13%), following the expiry of pioneer tax incentives in June 2025.

Outlook. The group's 4QFY25 book-to-bill ratio stood at 1.1x (3QFY25: 1.2x), still indicating sustained demand momentum heading into the next quarter despite a record-high revenue base. Demand for both MVS and ABI solutions remains robust, and notwithstanding ongoing forex headwinds, we expect continued sequential earnings expansion supported by better operating leverage and solid pricing power amidst a AI-driven demand upcycle and expanding NPI pipeline across both ABI and MVS divisions. Additionally, the renewal of pioneer status during the quarter should lower the effective tax rate in FY26 to c.10-15%, based our estimates.

Forecast. Due to the results beat, we raise our FY26/27 forecasts by 8.1%/6.5% by imputing higher sales unit assumptions for both ABI and MVS segments.

Valuation & Recommendation. We maintain **BUY** rating with a higher TP of **RM5.30** (from RM4.95), derived from a 46x PE multiple applied to mid-FY26F EPS of 11.5 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.

Risks. Appreciation of RM against USD, US semiconductor tariffs and geopolitical uncertainties, slowdown in DC megatrend.

KDN PP13226/06/2024 (035469)

Results Comparison

FYE Dec (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	FY25	FY24	yoy (%)
Revenue	290.4	148.8	*95.2*	228.6	*27.1*	843.1	552.3	*52.7*
EBITDA	65.7	32.5	*102.0*	55.0	*19.5*	196.5	120.2	*63.5*
Operating profit	61.7	29.2	*111.2*	51.2	*20.6*	181.2	107.4	*68.7*
Profit before tax	60.9	28.3	*115.2*	50.5	*20.6*	176.6	103.3	*70.9*
Tax expenses	(15.2)	(6.0)	*153.7*	(16.2)	*(6.1)*	(44.9)	(13.9)	*222.7*
Profit after tax	45.7	22.3	*104.9*	34.3	*33.2*	131.7	89.4	*47.3*
Reported PATMI	46.8	22.6	*107.1*	34.1	*37.0*	133.2	90.4	*47.4*
Core PATMI	44.6	29.9	*49.1*	33.8	*31.8*	142.4	111.6	*27.6*
Core EPS (sen)	2.4	1.6	*49.0*	1.8	*31.8*	5.2	4.3	*19.7*
DPS (sen)	-	-		-		-	-	
EBIT margin	21%	20%		22%		21%	19%	
PBT margin	21%	19%		22%		21%	19%	
Effective tax rate	-25%	-21%		-32%		-25%	-13%	
Core net profit margin	15%	20%		15%		17%	20%	

Source: Company, Apex Securities

Earnings Summary

FYE Jun (RM m)	FY23	FY24	FY25	FY26F	FY27F
Revenue	574.9	552.3	843.1	962.2	1028.4
EBITDA	156.8	120.2	196.5	243.4	279.4
Pre-tax profit	141.6	103.3	176.6	228.1	261.4
Net profit	128.3	90.4	133.2	194.8	241.4
Core net profit	126.6	107.7	133.2	194.8	241.4
Core EPS (sen)	6.7	5.7	7.0	10.3	12.8
P/E (x)	67.5	79.4	64.2	43.9	35.4
P/B (x)	8.9	8.4	7.6	6.7	5.8
EV/EBITDA (x)	52.5	68.4	41.8	33.8	29.4
Dividend Yield (%)	0.4%	0.3%	0.3%	0.5%	0.6%
Net Gearing (%)	NET CASH	NET CASH	NET CASH	NET CASH	NET CASH

Source: Company, Apex Securities

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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As of **Friday, 27 Feb, 2026**, 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.