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Recommendation:	BUY
Current Price:	RM 0.69
Previous Target Price:	RM 1.12
Target Price:	RM 1.00
Capital Upside/Downside:	44.9%
Dividend Yield (%):	7.2%
Total Upside/Downside:	52.2%

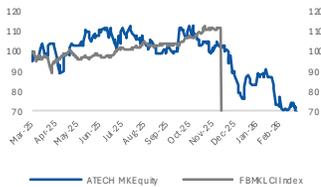
Stock information

Board	MAIN
Sector	EMS
Bursa / Bloomberg Code	5302 / ATECHK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	1,300.7
Market Cap (RM' m)	897.5
52-Week Price Range (RM)	1.197-0.68
Beta (x)	1.0
Free float (%)	66.9
3M Average Volume (m)	1.3
3M Average Value (RM' m)	1.0

Top 3 Shareholders

	(%)
Main Stream Holdings Sdn. Bhd	15.1
Employees Provident Fund Board	12.1
Aberdeen Group Plc	10.6

Share Price Performance



	1M	3M	12M
Absolute (%)	-4.8	-22.9	-32.6
Relative (%)	-3.5	-26.8	-38.1

Earnings summary

FYE (Dec)	FY25	FY26F	FY27F
Revenue (RM'm)	627.1	685.8	749.2
PATAMI (RM'm)	65.1	68.0	74.9
CNP (RM'm)	70.3	73.2	80.0
EPS - core (sen)	5.0	5.2	5.8
P/E(x)	13.8	13.2	12.0

Source: Company, Apex Securities

Aurelius Technologies Berhad

Steady Delivery

- **ATECH delivered 4Q25 core earnings of RM18.8m (+17% QoQ, +0.6% YoY), bringing FY25's sum to RM70.3m (+9%). The results were inline with our FY25F forecast at 102%.**
- **4Q25 core net profit was up 17% QoQ due to (i) seasonally stronger billings from Communications and IoT products (+10%; Customer M usually ramps up orders at year-end), (ii) improved sales from Electronic Devices (+18%; order recovery from its oil and gas customer following a steep plunge in 3Q25) and (iii) higher public holiday count and staff costs in 3Q25.**
- **Decrease our FY26/27F forecasts by 4%/5% but maintain BUY rating on ATECH with a lower TP of RM1.00 (from RM1.12) – based on an unchanged PE valuation of 19x FY26F EPS.**

Closing inline. ATECH delivered 4Q25 core earnings of RM18.8m (+17% QoQ, +0.6% YoY), bringing FY25's sum to RM70.3m (+9.1%). The results came in line with our FY25F forecast at 102%. 4Q25 results were arrived after adjusting for Els comprising forex loss (RM1.7m) and fair value loss on short-term investment (RM0.6m).

QoQ. Core net profit was up 17% due to (i) seasonally stronger billings from Communications and IoT products (+10%; Customer M usually ramps up orders at year-end), (ii) improved sales from Electronic Devices (+18%; order recovery from its oil and gas customer following a steep delivery plunge in the preceding quarter) as well as (iii) higher public holiday count and staff costs in the preceding quarter.

YoY. Despite slightly higher revenue (+3%), core earnings stayed broadly stable (+0.6%) as unfavourable forex movement and higher tax expenses diluted the group's profitability.

YTD. Core bottom line gained 9% thanks to higher revenue contribution from Communication & IoT products (+11%; higher volume allocation from key customer and improved demand for mission-critical communication devices) and Semiconductor Components (+40%; stronger run rate amidst output ramp for Customer F). However, it was partially offset by softer revenue from Electronics Devices (-41%; US tariffs uncertainties and higher revenue base from its oil & gas customer in FY24).

Dividend. Declared special dividend of 2.0 sen (ex-date: 12 Mar), bringing FY25 DPS declared to 5.0 sen (after adjusting for two-for-one bonus issue) – implying an attractive yield of 7% based on current share price.

Outlook. We expect loading volumes from its key US-based communication customer to remain steady, supported by resilient demand for mission-critical devices. Meanwhile, we reckon Customer F (5G and IoT modules) will remain supportive of the group's margins with improving production efficiency and gradual capacity increase. ATECH's progress on onboarding new automotive customers at P5 is positive following lengthy qualification tests with automotive OEMs for TPMS, which will aid in driving the utilisation rate at P5 as it remains underutilized at roughly c.15%. We also gathered that ATECH is in talks to acquire new customers in the industrial space to fill up P5. Despite its resilient portfolio and commendable net margin profile (FY25: c.10%), we reckon its near-term outlook may be tempered by the sharp appreciation of the MYR against the USD.

Earnings Revision. We decrease our FY26/27F forecasts by 4%/5% after accounting for lower revenue growth and margin assumption resulting from the forex woes.

Valuation. Post-adjustments, we maintain **BUY** rating on ATECH but with a lower TP of **RM1.00** (from RM1.12), based on an unchanged PE valuation of 19x FY26F EPS, with a 0% ESG premium/discount reflecting its three-star ESG rating. We like ATECH as an industrial-centric EMS provider with resilient earnings profile, backed by stable demand growth from its key customer, solid margin delivery and its continuous efforts in diversifying its customer base. The group also stands to benefit from supply chain diversification amid heightened geopolitical uncertainties.

Results Note

Monday, 02 Mar, 2026

Results Comparison

FYE Sep (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)
Revenue	164.8	160.5	2.7	151.5	8.8	627.1	604.2	3.8
Gross Profit	25.7	20.4	25.8	21.6	19.1	95.8	82.9	15.5
Pre-tax profit	21.7	27.0	(19.7)	21.0	3.3	84.2	70.2	20.0
Net profit	16.6	28.5	(41.7)	16.1	3.2	65.1	61.0	6.8
Core net profit	18.8	18.7	0.6	16.0	17.2	70.3	64.4	9.1
Core EPS (sen)	1.4	1.4	0.6	1.2	17.2	5.4	5.0	9.1
DPS (sen)	2.0	1.0	93.5	1.2	66.7	5.0	1.9	158.6
GP margin (%)	15.6	12.7		14.2		15.3	13.7	
PBT margin (%)	13.2	16.8		13.8		13.4	11.6	
Core net profit margin (%)	11.4	11.6		10.6		11.2	10.7	

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)
Revenue								
Communication and IoT products	144.8	130.0	11.4	131.9	9.8	536.8	485.0	10.7
Electronics devices	11.6	24.3	(52.2)	9.9	17.8	55.8	94.6	(41.0)
Semiconductor Components	8.4	6.1	37.0	9.8	(13.9)	34.5	24.6	40.4
Total	164.8	160.5	2.7	151.5	8.8	627.1	604.2	3.8
Geographical Revenue								
Malaysia	42.2	43.1	(2.0)	41.7	1.3	152.8	170.5	(10.4)
Americans	95.2	85.9	10.7	82.4	15.5	368.0	311.7	18.1
Asia Pacific (excluding Malaysia)	16.7	17.8	(6.5)	16.4	1.4	67.5	75.6	(10.7)
Europe	10.8	13.6	(20.7)	11.0	(2.3)	38.8	46.3	(16.2)
Total	164.8	160.5	2.7	151.5	8.8	627.1	604.2	3.8

Source: Company, Apex Securities

Earnings Summary

FYE Sep (RM m)	FY23*	FY24	FY25	FY26F	FY27F
Revenue	385.6	600.7	627.1	685.8	749.2
Gross Profit	49.9	82.9	95.8	96.0	104.9
Pre-tax Profit	45.8	70.2	84.2	85.0	93.6
Net profit	38.2	61.0	65.1	68.0	74.9
Core net profit	39.0	64.4	70.3	73.2	80.0
Core EPS (sen)	3.3	5.2	5.0	5.2	5.8
P/E (x)	20.9	13.3	13.8	13.2	12.0
P/B (x)	2.7	1.8	1.7	1.7	1.6
Dividend Yield (%)	1.5%	2.7%	7.2%	7.2%	7.2%
Net Gearing (%)	Net Cash				

Source: Company, Apex Securities

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

**Based on FYE 31 Jan

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Disclosed Scope 1 and Scope 2 GHG emissions (3,588.06 tCO ₂ 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: ★★★

Results Note

Monday, 02 Mar, 2026

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 **Monday, 02 Mar, 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.