

Research Team

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Recommendation:	BUY
Current Price:	RM5.27
Previous Target Price:	RM5.30
Target Price:	↑ RM7.04
Capital Upside/Downside:	33.6%
Dividend Yield (%):	0.3%
Total Upside/Downside	33.9%

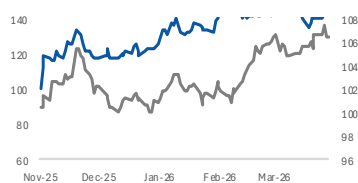
Stock information

Board	MAIN
Sector	Technology
Bursa / Bloomberg Code	0097 / VITROMK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	1,893.2
Market Cap (RM' m)	9,428.3
52-Week Price Range (RM)	5.08-2.66
Beta (x)	1.3
Free float (%)	33.5
3M Average Volume (m)	1.7
3M Average Value (RM' m)	7.3

Top 3 Shareholders (%)

Chu Jenn Weng	25.7
Siaw Kok Tong	17.3
Yeoh Shih Hoong	8.3

Share Price Performance



	1M	3M	12M
Absolute (%)	18.9	9.5	84.4
Relative (%)	18.0	9.3	61.4

Earnings summary

FYE (Dec)	FY25	FY26F	FY27F
Revenue (RM'm)	843.1	1105.3	1230.3
PATAMI (RM'm)	133.2	237.1	289.4
CNP (RM'm)	133.2	237.1	289.4
EPS - core (sen)	7.0	12.5	15.3
P/E(x)	75.0	42.1	34.5

Source: Company, Apex Securities

ViTrox Corporation Berhad

AI Tailwinds Lift Earnings to Near-Record High

- **ViTrox posted 1QFY26 core net profit of RM60.8m (+120% YoY, +36% QoQ), exceeding both our and consensus expectations, coming in at 31% of our FY26 forecast of RM194.8m. The outperformance was driven by stronger-than-expected billings from both ABI and MVS segments, alongside improving margins and a lower effective tax rate.**
- **The group's effective tax rate declined to 17.6% (4QFY25: 24.9%) following the full quarter impact of the MIDA pioneer tax incentive granted to VTSB. The group proposed a final dividend of 1.18 sen per share for FY25, bringing total FY25 DPS to 1.81 sen (FY24: 1.20 sen).**
- **We raise our FY26/27 core net profit forecasts to RM237.1m/RM289.4m (from RM194.8m/RM241.4m) by imputing higher sales assumptions and improving margins. Maintain BUY rating with a higher TP of RM7.04 (from RM5.30), derived from a 46x PE multiple applied to FY27F EPS of 15.3 sen.**

Results beat. ViTrox posted 1QFY26 core net profit of RM60.8m (+36.3% QoQ, +119.7% YoY), exceeding both our and consensus expectations, coming in at 31% of our FY26 forecast of RM194.8m and 31% of consensus forecast as well. The positive deviation stemmed from stronger-than-expected billings from both ABI and MVS segments, alongside improving margins. 1QFY26 results were arrived after adjusting for fair value losses on financial instruments (RM6.2m), forex loss (RM2.4m), net inventories written down (RM1.1m) and impairment gain on financial assets (-RM0.5m).

Dividend. The group proposed a final dividend of 1.18 sen per share for FY25, bringing total FY25 DPS to 1.81 sen (FY24: 1.20 sen).

QoQ. Revenue dipped 8% QoQ from RM290.4m to RM267.1m, a typical seasonal decline following the year-end peak. Despite the softer topline, PBT edged up 1.3% QoQ to RM61.7m, demonstrating the group's ability to maintain margins through product innovation and cost discipline. Core net profit jumped 36% QoQ to RM60.8m (4QFY25: RM44.6m), largely driven by a significantly lower effective tax rate of 17.6% (4QFY25: 24.9%) as the MIDA pioneer tax incentive for VTSB took full effect during the quarter. The subsidiary's income tax exemption covers activities related to 4D Advanced Industrial Automation Systems for semiconductor advanced packaging and AI smart factories, valid from September 2025 to September 2030.

YoY. Revenue nearly doubled, surging 89% YoY from RM141.1m to RM267.1m, driven by heightened demand for both Automated Board Inspection ("ABI") and Machine Vision System ("MVS") solutions as the global semiconductor industry recovery gained traction. The strong topline expansion was also underpinned by growing demand and penetration into high growth verticals like advanced packaging, AI server manufacturing, and data centre buildouts. Core net profit surged 120% YoY, aided by better operating leverage, a favourable product mix, and a lower effective tax rate. The EBIT margin expanded to 23.1% (1QFY25: 20.4%) while core net margin improved to 22.8% (1QFY25: 19.6%), reflecting the improved scale efficiencies.

Balance Sheet. The group remains in a net cash position with RM411.7m in cash and cash equivalents as at 31 March 2026, marginally up from RM409.2m at end-FY25. Total borrowings stood at RM86.9m (denominated in USD), mainly to finance the construction of Campus 3.0 in Batu Kawan. Inventories rose 19% QoQ to RM356.3m, while receivables grew 13% QoQ to RM422.6m, reflecting the strong revenue run rate. Contract liabilities surged to RM90.3m from RM32.2m, signalling healthy order visibility ahead. The group also incorporated a new subsidiary, ViTrox Technical Academy Sdn. Bhd. on 1 April 2026, focused on TVET for high-tech manufacturing.

Outlook. We anticipate a sustained growth trajectory throughout 2026 as the global semiconductor industry enters a robust expansion phase. The group's 1QFY26 book-to-bill ratio stood at 1.3x, indicating strong demand momentum (4QFY25: 1.1x). This is driven by escalating

AI demand, data centre infrastructure expansion, and the sharp escalation in memory prices. Furthermore, in response to the semiconductor upcycle and AI infrastructure capex boom, management has further emphasised strategic focus on advanced packaging applications and is introducing new products such as the QX1 Series for ultra-high-resolution 3D X-ray inspection. The near-tripling of contract liabilities QoQ (RM90.3m vs RM32.2m) also bodes well for revenue visibility in coming quarters.

Forecast. Due to the results beat, we raise our FY26/27 core net profit forecasts by 21.7%/19.9% to RM237.1m/RM289.4m by imputing higher sales unit assumptions for both ABI and MVS segments and reflecting the improving margin trajectory. We also continue to expect sequential earnings expansion supported by the AI-driven demand upcycle, expanding NPI pipeline, and lower effective tax rate from the MIDA pioneer incentive.

Valuation & Recommendation. We maintain BUY rating with a higher TP of RM7.04 (from RM5.30), derived from a 46x PE multiple applied to FY27F EPS of 15.3 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. At the current share price of RM4.98, the stock trades at 40x FY26F core PE, which we view as undemanding given the strong earnings trajectory.

Risks. Appreciation of RM against USD, US semiconductor tariffs and geopolitical uncertainties, slowdown in semiconductor and DC upcycle, potential escalation of trade tensions impacting global semiconductor supply chains.

Earnings Summary

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Revenue	574.9	552.3	843.1	1105.3	1230.3
EBITDA	156.8	120.2	196.5	277.7	331.5
Pre-tax profit	141.6	103.3	176.6	262.5	313.5
Net profit	128.3	90.4	133.2	237.1	289.4
Core net profit	126.6	107.7	133.2	237.1	289.4
Core EPS (sen)	6.7	5.7	7.0	12.5	15.3
P/E (x)	74.4	87.4	70.7	39.7	32.6
P/B (x)	9.8	9.2	8.4	7.2	6.1
EV/EBITDA (x)	58.0	75.7	46.3	32.7	27.4
Dividend Yield (%)	0.3%	0.2%	0.4%	0.5%	0.6%
Net Gearing (%)	NET CASH	NET CASH	NET CASH	NET CASH	NET CASH

Source: Company, Apex Securities

Results Note

Friday, 24 Apr, 2026

Results Comparison

FYE Dec (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)
Revenue	267.1	141.1	89.2	290.4	(8.0)
EBITDA	65.8	32.6	101.8	65.7	0.1
Operating profit	61.7	28.8	114.1	61.7	(0.1)
Profit before tax	61.7	27.4	124.9	60.9	1.3
Tax expenses	(10.9)	(3.5)	210.2	(15.2)	(28.3)
Profit after tax	50.8	23.9	112.4	45.7	11.1
Reported PATMI	51.2	24.2	111.9	46.8	9.5
Core PATMI	60.8	27.7	119.7	44.6	36.3
Core EPS (sen)	3.2	1.5	119.6	2.4	36.3
DPS (sen)	-	-	-	-	-
EBIT margin	23%	20%		21%	
PBT margin	23%	19%		21%	
Effective tax rate	-18%	-13%		-25%	
Core net profit margin	23%	20%		15%	

Source: Company, Apex Securities

Results Note

Friday, 24 Apr, 2026

Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Revenue	574.9	552.3	843.1	1105.3	1230.3
EBITDA	156.8	120.2	196.5	277.7	331.5
EBIT	145.7	107.4	181.2	265.3	317.4
PBT	141.6	103.3	176.6	262.5	313.5
Tax	-14.0	-13.9	-44.9	-26.2	-25.1
Profit After Tax	127.6	89.4	131.7	236.2	288.4
Minority Interest	-0.7	-0.9	-1.5	-0.9	-1.0
Net Profit	128.3	90.4	133.2	237.1	289.4
Exceptionals	-1.7	17.4	0.0	0.0	0.0
Core Net Profit	126.6	107.7	133.2	237.1	289.4

Key Ratios

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Core EPS (sen)	6.7	5.7	7.0	12.5	15.3
P/E(x)	78.9	92.7	75.0	42.1	34.5
BVPS	0.51	0.54	0.59	0.69	0.81
P/B(x)	10.4	9.8	8.9	7.7	6.5
EV/EBITDA (x)	61.6	80.4	49.2	34.8	29.1
DPS (sen)	1.7	1.2	1.8	2.5	3.1
Dividend Yield (%)	0.3%	0.2%	0.3%	0.5%	0.6%
EBITDA margin (%)	27.3%	21.8%	23.3%	25.1%	26.9%
EBIT margin (%)	25.3%	19.4%	23.0%	24.0%	25.8%
PBT margin (%)	24.6%	18.7%	21.0%	23.7%	25.5%
PAT margin (%)	22.2%	16.2%	15.6%	21.4%	23.4%
NP margin (%)	22.3%	16.4%	15.8%	21.5%	23.5%
CNP margin (%)	22.0%	19.5%	15.8%	21.5%	23.5%
ROE (%)	13.2%	10.5%	11.9%	18.1%	18.8%
ROA (%)	10.9%	8.9%	10.0%	14.8%	15.5%
Net gearing (%)	NETCASH	NETCASH	NETCASH	NETCASH	NETCASH

Assumptions

RM/USD	4.56	4.57	4.30	4.05	4.05
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Valuations

	FY27F
Core EPS (RM)	15.3
P/E multiple (x)	46.0
Fair Value (RM)	7.04
ESG premium/discount	0.0%
Implied Fair Value (RM)	7.04

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Cash & cash equivalent	389.0	340.1	242.1	242.3	395.9
Receivables	191.1	237.0	361.8	474.3	527.9
Inventories	198.6	201.4	270.1	398.0	443.0
Other current assets	22.9	44.4	44.4	44.4	44.4
Total Current Assets	801.6	822.9	918.3	1158.9	1411.2
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	136.0	200.4	223.0
Other Current Liabilities	25.7	33.6	33.6	33.6	33.6
Total Current Liabilities	154.3	148.0	177.5	251.9	282.1
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	1120.4	1310.1	1541.6
Minority interest	-1.5	-2.4	-3.9	-4.8	-5.8
Total Equity	957.4	1019.1	1116.6	1305.4	1535.9

Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Pre-tax profit	141.6	103.3	176.6	262.5	313.5
Depreciation & amortisation	11.1	12.8	13.3	12.4	14.1
Changes in working capital	3.5	-72.0	-158.9	-176.0	-76.0
Others	2.2	-4.2	-44.9	-26.2	-25.1
Operating cash flow	158.4	39.9	-13.8	72.7	226.4
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	-34.2	-47.4	-57.9
Others	-16.2	-16.4	-10.0	20.0	15.0
Financing cash flow	-67.2	-49.0	-44.2	-27.4	-42.9
Currency translation differences	0.1	-0.9	0.0	0.0	0.0
Net cash flow	18.6	-48.9	-98.1	0.2	153.6
Beginning cash & cash equivalent	370.4	389.0	340.1	242.1	242.3
Ending cash & cash equivalent	389.0	340.1	242.1	242.3	395.9

Results Note

Friday, 24 Apr, 2026

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, 24 Apr, 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.