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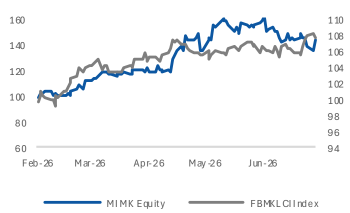
Recommendation:		**BUY**
Current Price:		RM4.87
Previous Target Price:		RM6.23
Target Price:	↑	RM6.38
Capital Upside/Downside:		31.0%
Dividend Yield (%):		0.7%
Total Upside/Downside		**31.7%**

Stock information	
Board	MAIN
Sector	Technology
Bursa / Bloomberg Code	5286 / MIMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	884.7
Market Cap (RM' m)	4,308.5
52-Week Price Range (RM)	5.07-1.95
Beta (x)	1.2
Free float (%)	37.8
3M Average Volume (m)	4.0
3M Average Value (RM' m)	16.7

Top 3 Shareholders	**(%)**
Oh Kuang Eng	45.4
Yong Shiao Voon	11.3
Norges Bank	5.2

Share Price Performance



	1M	**3M**	**12M**
Absolute (%)	0.0	51.7	144.7
Relative (%)	-0.6	51.1	116.6

Earnings summary

FYE (Dec)	**FY25A**	**FY26F**	**FY27F**
Revenue (RM'm)	625.0	706.7	768.5
PATAMI (RM'm)	93.8	137.7	152.6
CNP (RM'm)	115.1	137.7	152.6
EPS - core (sen)	12.9	15.5	17.2
P/E (x)	29.5	24.6	22.2

Source: Company, Apex Securities

Mi Technovation Berhad

Multi-Engine Growth Story Gathers Pace

- **MITECH posted a record 2QFY26 core net profit of RM52.5m (+62.2% YoY, 72.2% QoQ), lifting 1HFY26 core net profit to RM82.9m (+61.8% YoY). The results were above our expectation.**
- **We remain bullish on MI's earnings trajectory over the medium to long term, driven by SMBU demand to strengthen further into 2H26 versus 1H26, while SEBU momentum is expected to sustain on Mobility & Wearables and HPC & Memory demand; together with the proposed SGX listing of Mi Material remains on track for completion by 4Q26.**
- **Raise FY26F/FY27F/FY28F CNP by 2.3%/2.2%/2.3% to RM137.7m/RM152.6m/RM171.7m (from RM134.6m/RM149.3m/RM167.8m), on higher revenue contribution from SMBU, together with a sustained improvement in pricing power and ASPs. Upgrade TP to RM6.38 (from RM6.23) based on 37x PE (+2SD) applied to the higher FY27F EPS of 17.2 sen (previously 16.8sen). Reiterate BUY.**

Above estimates. Excluding an unrealised gain on foreign exchange (-RM3.7m), Mi reported a 2QFY26 CNP of RM55.2m (+78.3% QoQ, +250.0% YoY), bringing 1HFY26 CNP to RM86.2m (+158.4% YoY). The result came in above expectations at 61% of our full-year forecast and 64% of consensus estimates, driven by higher sales volume, improved ASPs, an optimised product mix, better operational efficiency and favourable forex.

QoQ. Revenue rose 34.7% QoQ to RM226.0m from RM167.8m in 1QFY26, with SEBU growing 11.6% QoQ to RM93.9m (1Q26: RM84.2m) and SMBU surging 58.3% QoQ to RM131.3m (1QFY26: RM82.9m), primarily driven by strong demand for semiconductor equipment and material sales within all the business segments.

YoY. Revenue surged +46.7% YoY to RM226.0m (2QFY25: RM154.1m), driven primarily by SMBU which doubled to RM131.3m (+100.1% YoY) on robust solder ball demand, while SEBU grew a more modest +6.2% to RM93.9m. 2QFY2025 PATAMI more than tripled, up 249.8% YoY to RM55.2m (2QFY25: RM15.8m), aided by higher sales volume, better ASPs, improved product mix and favourable FX.

YTD. 1HFY26 revenue rose 43.9% YoY to RM393.8m, with SMBU up a strong 91.1% to RM214.2m and SEBU up 10.3% to RM178.1m, primarily supported by robust customer demand and improved average selling prices, particularly for semiconductor material sales.

Outlook. Management expects continued momentum into 2HFY26, with SEBU on sustained Mobility & Wearables and HPC & Memory demand for the Mi Series die-sorting platform; SMBU on further strengthening HPC & Memory momentum, cyclical Mobility & Wearables demand and a gradual Automotive & Renewable Energy recovery; STBU's Vanda 1 SiC MOSFET prototype completed fabrication in June and has entered reliability testing, with commercial production targeted 1Q27; and VTBU progressing its powertrain ramp in 2H26. The proposed SGX listing of SMBU is still being finalised at this juncture.

SGX listing remains on track. Management reiterated that the proposed listing of its Semiconductor Materials Business Unit (SMBU), Mi Material Holding, on the Singapore Exchange (SGX) Mainboard remains on track. We continue to view the proposed listing positively as it should enhance the visibility of the fast-growing semiconductor materials business, provide greater financial flexibility to support future expansion and potentially unlock shareholder value through a separate market valuation. Nevertheless, we believe the immediate financial impact is likely to be limited, as MITB will retain a controlling stake of approximately 72.6% post-listing and continue to consolidate Mi Material's financial results. We expect investor attention to remain focused on the final IPO valuation, pricing and offering structure, which will ultimately determine the extent of any value-unlocking and earnings dilution.

Earnings Revision. We raise our FY26F/FY27F/FY28F core net profit forecasts by 2.3%/2.2%/2.3% to RM137.7m/RM152.6m/RM171.7m respectively (from RM134.6m/RM149.3m/RM167.8m), on higher revenue contribution from SMBU, together with a sustained improvement in pricing power and ASPs.

Valuation & Recommendation. We reiterate our **BUY** rating with a **higher TP of RM6.38 (from RM6.23)**, based on an unchanged PE multiple of 37x applied to a higher FY27F EPS of 17.2sen (previously 16.8sen). We continue to like MITECH for its multi-engine growth optionality, SEBU's advanced packaging leverage, SMBU's materials scale-up via the Johor plant, STBU's SiC market entry, and VTBU's EV powertrain ramp, together with the potential SOTP re-rating catalyst from the proposed SMBU SGX listing.

Risks. Key risks include: (i) unfavourable pricing, structure or delays in the proposed SMBU SGX listing; (ii) a slowdown in semiconductor demand that weighs on SEBU/SMBU order momentum; (iii) unfavourable forex movements given MI's foreign-denominated sales and costs; and (iv) customer concentration risk within its key business segments.

Earnings Summary

FYE Dec (RM m)	FY24	FY25A	FY26F	FY27F	FY28F
Revenue	463.5	625.0	706.7	768.5	858.3
EBITDA	117.8	144.7	197.4	217.3	242.5
Pre-tax profit	90.7	123.4	175.3	194.3	218.7
Net profit	68.1	93.8	137.7	152.6	171.7
Core net profit	69.9	115.1	137.7	152.6	171.7
Core EPS (sen)	7.8	12.9	15.5	17.2	19.4
P/E (x)	48.8	29.5	24.6	22.2	19.7
P/B (x)	3.3	3.2	2.9	2.6	2.4
EV/EBITDA (x)	26.8	21.8	16.0	14.5	13.0
Dividend Yield (%)	1.6%	0.8%	0.9%	0.9%	0.9%
Net Gearing (%)	NET CASH	NET CASH	NET CASH	NET CASH	NET CASH

Source: Company, Apex Securities

Earnings Summary

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	463.5	625.0	692.1	752.7	839.4
EBITDA	117.8	144.7	193.5	213.1	237.5
Pre-tax profit	90.7	123.4	171.4	190.1	213.7
Net profit	68.1	93.8	134.6	149.3	167.8
Core net profit	69.9	115.1	134.6	149.3	167.8
Core EPS (sen)	7.8	12.9	15.2	16.8	18.9
P/E (x)	48.8	29.5	25.2	22.7	20.2
P/B (x)	3.3	3.2	2.9	2.6	2.4
EV/EBITDA (x)	26.8	21.8	16.3	14.8	13.3
Dividend Yield (%)	1.6%	0.8%	0.9%	0.9%	0.9%
Net Gearing (%)	NET CASH	NET CASH	NET CASH	NET CASH	ET CASH

Source: Company, Apex Securities

Results Comparison

FYE Dec (RM m)	2QFY26	2QFY25	yoy (%)	1QFY26	qoq (%)	1HFY26	1HFY25	yoy (%)
Revenue	226.0	154.1	*46.7*	167.8	*34.7*	393.8	273.7	*43.9*
EBITDA	79.0	26.5	*198.5*	46.0	*71.9*	125.0	54.5	*129.3*
EBIT	71.1	19.3	*269.3*	38.5	*84.9*	109.5	40.3	*171.9*
Profit before tax	72.3	20.8	*247.8*	39.9	*81.1*	112.2	43.4	*158.3*
Profit after tax	55.2	16.0	*244.1*	31.0	*78.2*	86.2	33.3	*158.5*
Net profit	55.2	15.6	*254.8*	31.0	*78.3*	86.2	33.2	*160.0*
Core net profit	52.5	32.4	*62.2*	30.5	*72.2*	82.9	51.3	*61.8*
Core EPS (sen)	5.9	3.6	*63.2*	3.4	*72.6*	9.4	5.8	*62.8*
EBIT margin	31%	12%		23%		28%	15%	
PBT margin	32%	13%		24%		28%	16%	
Core net profit margin	23%	21%		18%		21%	19%	

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	2QFY26	2QFY25	yoy (%)	1QFY26	qoq (%)	6MFY26	6MFY25	yoy (%)
Revenue								
SEBU	93.9	88.4	*6.2*	84.2	*11.6*	178.1	161.5	*10.3*
SMBU	131.3	65.6	*100.1*	82.9	*58.3*	214.2	112.1	*91.1*
STBU and others	-	0.1	*(100.0)*	-	*nm*	-	0.1	*(100.0)*
VTBU	**0.8**	**-**	***nm***	**0.7**	***25.6***	**1.5**	**-**	***nm***
Total	**226.0**	**154.1**	***46.7***	**167.8**	***34.7***	**393.8**	**273.7**	***43.9***
Profit before tax (PBT)								
SEBU	31.6	20.2	*56.7*	25.4	*24.5*	57.1	40.0	*42.8*
SMBU	50.4	9.6	*426.9*	24.4	*106.5*	74.7	20.3	*267.5*
STBU and others	**(1.4)**	**(2.3)**	***(37.5)***	**(2.2)**	***(35.5)***	**(6.0)**	**(9.2)**	***(34.6)***
VTBU	**(6.0)**	**-**	***nm***	**(7.6)**	***(22.0)***	**(13.6)**	**(7.3)**	**87.4**
Total	**74.6**	**27.4**	***171.8***	**39.9**	***86.9***	**112.2**	**43.9**	**155.8**
PBT margin (%)								
SEBU	33.7%	22.8%		30.2%		32.0%	24.7%	
SMBU	**38.4%**	**14.6%**		**29.4%**		**34.9%**	**18.1%**	
STBU and others	**nm**	**nm**		**nm**		**nm**	**nm**	
VTBU	**nm**	**nm**		**nm**		**nm**	**nm**	

Source: Company, Apex Securities

Financial Highlights

Income Statement

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	**463.5**	**625.0**	**706.7**	**768.5**	**858.3**
EBITDA	**117.8**	**144.7**	**197.4**	**217.3**	**242.5**
EBIT	**92.4**	**116.9**	**171.9**	**190.6**	**214.8**
PBT	**90.7**	**123.4**	**175.3**	**194.3**	**218.7**
Tax	-24.0	-29.7	-40.3	-44.7	-50.3
Profit After Tax	**66.7**	**93.7**	**135.0**	**149.6**	**168.4**
Minority Interest	-1.4	-0.1	-2.7	-3.0	-3.4
Net Profit	**68.1**	**93.8**	**137.7**	**152.6**	**171.7**
Exceptionals	1.9	21.4	0.0	0.0	0.0
Core Net Profit	**69.9**	**115.1**	**137.7**	**152.6**	**171.7**

Key Ratios

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Core EPS (sen)	7.8	12.9	15.5	17.2	19.4
P/E (x)	48.8	29.5	24.6	22.2	19.7
BVPS	1.16	1.20	1.32	1.45	1.60
P/B (x)	3.3	3.2	2.9	2.6	2.4
EV/EBITDA (x)	26.8	21.8	16.0	14.5	13.0
DPS (sen)	6.0	3.0	3.5	3.5	3.5
Dividend Yield (%)	1.6%	0.8%	0.9%	0.9%	0.9%
EBITDA margin (%)	25.4%	23.2%	27.9%	28.3%	28.3%
EBIT margin (%)	19.9%	20.0%	20.5%	20.8%	20.8%
PBT margin (%)	19.6%	19.7%	24.8%	25.3%	25.5%
PAT margin (%)	14.4%	15.0%	19.1%	19.5%	19.6%
NP margin (%)	14.7%	15.0%	19.5%	19.9%	20.0%
CNP margin (%)	15.1%	18.4%	19.5%	19.9%	20.0%
ROE (%)	6.8%	10.8%	11.7%	11.8%	12.0%
ROA (%)	5.9%	8.9%	9.6%	9.8%	10.0%
Net gearing (%)	NET CASH	NET CASH	NET CASH	NET CASH	NET CASH

Valuations	FY27F
Core EPS (sen)	17.2
P/E multiple (x)	37.1
Fair Value (RM)	**6.38**
ESG premium/discount	0.0%
Implied Fair Value (RM)	**6.38**

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash & bank balances	276.3	314.6	386.6	480.3	582.7
Receivables	168.0	181.7	205.5	223.4	249.6
Inventories	157.4	167.3	189.1	205.7	229.7
Other current assets	73.0	87.3	87.3	87.3	87.3
Total Current Assets	**674.6**	**751.0**	**868.5**	**996.8**	**1149.3**
PPE	181.5	203.9	213.4	221.8	229.0
Other non-current assets	322.7	345.6	345.6	345.6	345.6
Total Non-current assets	**504.2**	**549.5**	**559.0**	**567.3**	**574.6**
Short-term Debt	21.1	55.8	60.8	64.8	68.8
Payables	61.1	100.6	113.8	123.7	138.2
Other Current Liabilities	26.1	22.5	22.5	22.5	22.5
Total Current Liabilities	**108.3**	**179.0**	**197.2**	**211.1**	**229.6**
Long-term Debt	10.6	5.9	10.9	14.9	18.9
Other non-current liabilities	31.2	47.8	47.8	47.8	47.8
Total Non-current Liabilities	**41.8**	**53.7**	**58.7**	**62.7**	**66.7**
Shareholder's equity	1030.2	1067.7	1174.4	1295.9	1436.7
Minority interest	-1.5	0.1	-2.6	-5.6	-9.0
Total Equity	**1028.7**	**1067.8**	**1171.7**	**1290.3**	**1427.7**

Cash Flow

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	**90.7**	**123.4**	**175.3**	**194.3**	**218.7**
Depreciation & amortisation	25.4	27.8	25.5	26.7	27.7
Changes in w orking capital	-47.7	9.1	-32.5	-24.5	-35.7
Tax paid	-20.7	-33.7	-40.3	-44.7	-50.3
Others	-0.3	6.7	0.0	0.0	0.0
Operating cash flow	**47.4**	**133.3**	**128.0**	**151.8**	**160.4**
Net capex	-17.9	-38.9	-35.0	-35.0	-35.0
Others	-60.3	38.9	0.0	0.0	0.0
Investing cash flow	**-78.2**	**0.0**	**-35.0**	**-35.0**	**-35.0**
Borrow ings	-1.9	32.2	10.0	8.0	8.0
Others	-79.4	-42.0	-31.0	-31.0	-31.0
Financing cash flow	**-81.3**	**-9.9**	**-21.0**	**-23.0**	**-23.0**
Net cash flow	**-112.1**	**123.4**	**72.0**	**93.7**	**102.4**
Currency translation differences	-18.2	-27.6	0.0	0.0	0.0
Beginning cash & cash equivalent	422.7	292.4	388.2	460.2	553.9
Ending cash & cash equivalent	**292.4**	**388.2**	**460.2**	**553.9**	**656.3**
Fixed deposits & MMF	-16.1	-73.6	-73.6	-73.6	-73.6
Cash and bank balances	**276.3**	**314.6**	**386.6**	**480.3**	**582.7**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Scope 2 emissions 6,384.92 tCO2e in FY25
Waste & Effluent	★★★	A total of 33.23 tonnes of hazardous and non-hazardous waste were recycled in FY25
Energy	★★★	24.0% of total electricity was derived from renewable sources, including a solar PV system in Taiwan and a Power Purchase Agreement (PPA) in Malaysia
Water	★★★	Water consumption 30,647 m^3in FY25

Social

Diversity	★★★	The workforce consists of 63% male and 37% female employees. The Board consists of 25% female directors (2 out of 8)
Human Rights	★★★	Enforce and adopts Code of Ethics and Conduct
Occupational Safety and Health	★★	0.14 per 200,000 hours worked, with 1 reported injury incident
Labour Practices	★★★	Completed 9,150.5 total training hours, averaging 16.4 hours (approximately 2 days) per employee in FY25

Governance

Supply Chain	★★★	77% of spending was on local suppliers
Management	★★	100% of employees (except certain support roles) received training on anti-bribery and corruption policies
Human Rights	★★★	0 substantiated complaints concerning human rights violations

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

As of **Tuesday, 21 Jul, 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.