Research Team
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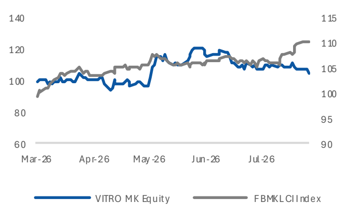
Recommendation:	**BUY**
Current Price:	RM 8.00
Previous Target Price:	RM 9.35
Target Price: ↑	RM 11.12
Capital Upside/Downside:	39.0%
Dividend Yield (%):	0.2%
Total Upside/Downside	**39.2%**

Stock information	
Board	MAIN
Sector	Technology
Bursa / Bloomberg Code	0097 / VITRO MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	1,894.8
Market Cap (RM' m)	15,158.6
52-Week Price Range (RM)	8.2-3.56
Beta (x)	1.1
Free float (%)	33.7
3M Average Volume (m)	4.1
3M Average Value (RM' m)	28.5

Top 3 Shareholders	**(%)**
Chu Jenn Weng	25.2
Siaw Kok Tong	16.7
Yeoh Shih Hoong	8.3

Share Price Performance



	1M	**3M**	**12M**
Absolute (%)	3.1	46.8	106.2
Relative (%)	-0.3	46.9	81.4

Earnings summary

FYE (Dec)	**FY25**	**FY26F**	**FY27F**
Revenue (RM'm)	843.1	1283.3	1537.9
PATAMI (RM'm)	133.2	275.6	362.4
CNP (RM'm)	133.2	275.6	362.4
EPS - core (sen)	7.0	14.6	19.1
P/E (x)	75.0	36.2	27.6

Source: Company, Apex Securities

Vitrox Corporation Berhad

AI Supercycle Powers a Record Quarter

- **VITROX posted a record 2QFY26 core net profit of RM83.9m (+130.8% YoY, +38.1% QoQ), exceeding both our and consensus expectations, lifting 1HFY26 core net profit to RM144.6m (+126.0% YoY), reaching 61.0% of our FY26F forecast of RM237.1m.**
- **We remain bullish on VITROX's earnings trajectory into 2H26, underpinned by sustained AI infrastructure and HBM-related demand, deepening advanced packaging penetration and continued margin expansion as VTSB's MIDA pioneer tax incentive continues to flow through.**
- **We raise our FY26F/FY27F/FY28F core net profit forecasts to RM275.6m/RM362.4m/RM408.2m (from RM237.1m/RM289.4m/RM344.4m) by imputing higher sales assumptions and improving margins.**
- **Maintain BUY with a higher TP of RM11.12 (from RM9.35), based on the 5-year historical mean PE of 54.67x applied to a higher blended FY27F/FY28F EPS of 20.3sen (previously 17.1sen).**

Above estimates. The Group's 2QFY26 core net profit of RM83.9m (+130.8% YoY, +38.1% QoQ) was arrived at after excluding a net forex gain (RM2.5m), net fair value losses on financial instruments (RM0.8m) and net inventories written down (RM0.6m). This lifted 1HFY26 core net profit to RM144.7m (+122.1% YoY), driven by robust ABI and MVS billings amid the AI-led semiconductor upcycle, sustained margin expansion and a lower effective tax rate as VTSB's MIDA pioneer incentive continued to flow through.

QoQ. Revenue expanded 40.4% QoQ to a record RM374.9m (1QFY26: RM267.1m), driven by accelerating shipment deliveries and robust customer pull-ins within both the ABI and MVS segments as AI infrastructure and HBM-related demand continued to build. PBT grew 62.1% QoQ to RM99.9m (1QFY26: RM61.7m) on economies of scale and a favourable product mix, while core net profit rose 38.0% QoQ to RM83.9m (1QFY26: RM60.8m).

YoY. Revenue surged 104.8% YoY from RM183.0m, more than doubling as AI infrastructure buildouts, HBM-related testing needs and advanced packaging penetration accelerated across both the ABI and MVS segments. While core net profit surged 130.8% YoY to RM83.9m (2QFY25: RM36.3m) aided by better operating leverage, a favourable product mix and a lower effective tax rate of 15.5% (2QFY25: 26.6%) following the MIDA pioneer incentive granted to VTSB.

YTD. 1HFY26 revenue rose 98.0% YoY to RM642.0m (1HFY25: RM324.2m), and 1HFY26 core net profit came in at RM144.6m (+126.0% YoY) driven by AI-led semiconductor upcycle across both ABI and MVS solutions and VITROX's growing exposure to advanced packaging, HPC/AI server manufacturing and data centre infrastructure buildouts.

Outlook. We expect the AI-driven demand upcycle, an expanding NPI pipeline and continued relief under VTSB's MIDA pioneer incentive (effective through September 2030) to support sequential earnings growth through 2HFY26, though management remains mindful of forex volatility and geopolitical risks to the semiconductor supply chain. Furthermore, Management expects a favourable operating environment into 2HFY26, backed by sustained AI and data centre capex spending.

Earnings Revision. Following the record 2QFY26 beat, we raise our FY26F/FY27F/FY28F core net profit forecasts by 16.2%/19.5%/18.5% to RM275.6m/RM362.4m/RM408.2m (from RM237.1m/RM289.4m/RM344.4m), imputing higher ABI and MVS billing assumptions, sustained margin expansion and VTSB's lower effective tax rate.

Valuation & Recommendation. We maintain **BUY** rating with a higher TP of **RM11.12** (from RM9.35), based on the 5-year historical mean PE of 54.67x applied to a higher blended FY27F/FY28F EPS of 20.3sen (previously 17.1sen), backed by (i) Accelerating AI-driven demand for advanced packaging and high-precision inspection, and (ii) sustained double-digit earnings growth over our forecast horizon.

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)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	552.3	843.1	1283.3	1537.9	1759.4
EBITDA	120.2	196.5	320.4	410.8	472.3
Pre-tax profit	103.3	176.6	305.2	392.8	453.6
Net profit	90.4	133.2	275.6	362.4	408.2
Core net profit	107.7	133.2	275.6	362.4	408.2
Core EPS (sen)	5.7	7.0	14.6	19.1	21.5
P/E (x)	92.7	75.0	36.2	27.6	24.5
P/B (x)	9.8	8.9	7.5	6.2	5.1
EV/EBITDA (x)	80.4	49.2	30.1	23.5	20.5
Dividend Yield (%)	0.2%	0.3%	0.6%	0.7%	0.8%
Net Gearing (%)	NET CASH	NET CASH	NET CASH	NET CASH	NET CASH

Source: Company, Apex Securities

Results Comparison

FYE Dec (RM m)	2QFY26	2QFY25	yoy (%)	1QFY26	qoq (%)	1HFY26	1HFY25	yoy (%)
Revenue	374.9	183.0	*104.8*	267.1	*40.4*	642.0	324.2	*98.0*
EBITDA	104.8	43.2	*142.8*	65.8	*59.4*	170.6	75.8	*125.1*
Operating profit	100.4	39.4	*154.6*	61.7	*62.8*	162.0	68.2	*137.5*
Profit before tax	99.9	37.9	*163.7*	61.7	*62.1*	161.6	65.3	*147.4*
Tax expenses	(15.5)	(10.1)	*53.0*	(10.9)	*42.0*	(26.3)	(13.6)	*93.5*
Profit after tax	84.5	27.8	*203.9*	50.8	*66.4*	135.3	51.7	*161.6*
Reported PATMI	85.0	28.1	*202.3*	51.2	*66.1*	136.2	52.3	*160.5*
Core PATMI	83.9	36.3	*130.8*	60.8	*38.1*	144.6	64.0	*126.0*
Core EPS (sen)	4.4	1.9	*130.5*	3.2	*37.9*	5.2	4.3	*19.7*
DPS (sen)	-	-		-		-	-	
EBIT margin	27%	22%		23%		25%	21%	
PBT margin	27%	21%		23%		25%	20%	
Effective tax rate	15%	27%		18%		16%	21%	
Core net profit margin	22%	20%		23%		23%	20%	

Source: Company, Apex Securities

APEX SECURITIES 鼎峰证券有限公司

Financial Highlights

Income Statement

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	**552.3**	**843.1**	**1283.3**	**1537.9**	**1759.4**
EBITDA	**120.2**	**196.5**	**320.4**	**410.8**	**472.3**
EBIT	**107.4**	**181.2**	**308.0**	**396.8**	**457.4**
PBT	**103.3**	**176.6**	**305.2**	**392.8**	**453.6**
Tax	-13.9	-44.9	-30.5	-31.4	-45.4
Profit After Tax	**89.4**	**131.7**	**274.7**	**361.4**	**408.2**
Minority Interest	-0.9	-1.5	-0.9	-1.0	0.0
Net Profit	**90.4**	**133.2**	**275.6**	**362.4**	**408.2**
Exceptionals	17.4	0.0	0.0	0.0	0.0
Core Net Profit	**107.7**	**133.2**	**275.6**	**362.4**	**408.2**

Key Ratios

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Core EPS (sen)	5.7	7.0	14.6	19.1	21.5
P/E (x)	92.7	75.0	36.2	27.6	24.5
BVPS	0.54	0.59	0.71	0.86	1.03
P/B (x)	9.8	8.9	7.5	6.2	5.1
EV/EBITDA (x)	80.4	49.2	30.1	23.5	20.5
DPS (sen)	1.2	1.8	2.9	3.8	4.3
Dividend Yield (%)	0.2%	0.3%	0.6%	0.7%	0.8%
EBITDA margin (%)	21.8%	23.3%	25.0%	26.7%	26.8%
EBIT margin (%)	19.4%	23.0%	24.0%	25.8%	26.0%
PBT margin (%)	18.7%	21.0%	23.8%	25.5%	25.8%
PAT margin (%)	16.2%	15.6%	21.4%	23.5%	23.2%
NP margin (%)	16.4%	15.8%	21.5%	23.6%	23.2%
CNP margin (%)	19.5%	15.8%	21.5%	23.6%	23.2%
ROE (%)	10.5%	11.9%	20.6%	22.2%	20.9%
ROA (%)	8.9%	10.0%	16.5%	18.0%	17.0%
Net gearing (%)	NET CASH	NET CASH	NET CASH	NET CASH	NET CASH

Assumptions					
RM/USD	4.57	4.30	4.05	4.05	4.05

Valuations	FY27-28F
Blended Core EPS (Sen)	20.3
P/E multiple (x)	54.7
Fair Value (RM)	**11.12**
ESG premium/discount	0.0%
Implied Fair Value (RM)	**11.12**

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash & cash equivalent	340.1	242.1	164.9	298.1	491.9
Receivables	237.0	361.8	550.7	659.9	755.0
Inventories	201.4	270.1	462.1	553.8	633.5
Other current assets	44.4	44.4	44.4	44.4	44.4
Total Current Assets	**822.9**	**918.3**	**1222.0**	**1556.1**	**1924.7**
PPE	222.1	248.8	281.4	297.3	311.4
Investment properties	55.6	55.6	55.6	55.6	55.6
Other non-current assets	108.3	108.3	108.3	108.3	108.3
Total Non-current assets	**386.0**	**412.7**	**445.3**	**461.2**	**475.3**
Short-term Debt	13.0	8.0	18.0	25.5	33.5
Payables	101.4	136.0	232.6	278.8	318.9
Other Current Liabilities	33.6	33.6	33.6	33.6	33.6
Total Current Liabilities	**148.0**	**177.5**	**284.2**	**337.9**	**386.0**
Long-term Debt	34.9	29.9	39.9	47.4	55.4
Other non-current liabilities	7.0	7.0	7.0	7.0	7.0
Total Non-current Liabilities	**41.9**	**36.9**	**46.9**	**54.4**	**62.4**
Shareholder's equity	1021.5	1120.4	1340.9	1630.8	1957.4
Minority interest	-2.4	-3.9	-4.8	-5.8	-5.8
Total Equity	**1019.1**	**1116.6**	**1336.1**	**1625.0**	**1951.6**

Cash Flow

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	**103.3**	**176.6**	**305.2**	**392.8**	**453.6**
Depreciation & amortisation	12.8	13.3	12.4	14.1	14.9
Changes in working capital	-72.0	-158.9	-284.2	-154.8	-134.7
Others	-4.2	-44.9	-30.5	-31.4	-45.4
Operating cash flow	**39.9**	**-13.8**	**2.9**	**220.7**	**288.4**
Net capex	-35.9	-40.0	-45.0	-30.0	-29.0
Others	-2.9	0.0	0.0	0.0	0.0
Investing cash flow	**-38.8**	**-40.0**	**-45.0**	**-30.0**	**-29.0**
Dividends paid	-32.6	-34.2	-55.1	-72.5	-81.6
Others	-16.4	-10.0	20.0	15.0	16.0
Financing cash flow	**-49.0**	**-44.2**	**-35.1**	**-57.5**	**-65.6**
Currency translation differences	-0.9	0.0	0.0	0.0	0.0
Net cash flow	**-48.9**	**-98.1**	**-77.2**	**133.2**	**193.8**
Beginning cash & cash equivalent	389.0	340.1	242.1	164.9	298.1
Ending cash & cash equivalent	**340.1**	**242.1**	**164.9**	**298.1**	**491.9**

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 **Friday, 31 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.