Monday 2nd. March 2026

D&O Green Technologies Berhad

(7204 | DOGT MK) Main | Technology

SHARIAH Compliant

ESG 4 Stars

Corporate Update

Downside Risk Remains

Upgrade to NEUTRAL (from SELL)

Revised Target Price **RM0.43** (from RM0.77)

Foreseeable outlook remains fluid. We are upgrading our recommendation for D&O Green Technologies (D&O) to **NEUTRAL** (from SELL previously) with a revised **target price of RM0.43** post the release of the 4QFY25 quarterly results. Despite stable shipment volume, the revenue contraction persisted in 4QFY25 in view of adverse foreign exchange translation movement. However, marginal recovery in normalised earnings was observed, supported by cost management initiative.

Moving forward, we anticipate some volume recovery in 2026. Demand is anticipated to be supported by the increasing need for energy efficiency lighting as well as the aesthetic appeal. However, the downside risk would primarily come from unfavourable forex movement and trade policy uncertainty. Given the uncertain outlook, we also took a conservative stance that there will be no dividend announcement in the near-to-medium term.

Quarterly earnings stabilising. D&O reported 4QFY25 loss of -RM60.1m. After adjusting for normalising items which largely pertained to the inventory impairment of -RM47.2m, the normalised earnings came in at RM13.9m, a marginal improvement of +0.6%yoy. This was mainly due to operational discipline which lifted the profit margin slightly higher to 5.6% from 5.3% a year ago. Note that despite stable production volume, the 4QFY25 revenue contracted by -5.5%yoy to RM248.1m due to unfavourable forex movement.

Better than expected. Cumulatively, FY25 normalised earnings amounted to RM36.3m. This represents a decline of -32.1%yoy. Revenue saw a contraction of 8.0%yoy due to unfavourable forex movement., despite shipment volume improved by +5.8%yoy, Nonetheless, the weaker earnings was impacted by lower production utilisation during certain periods of the year. All in, the decline in D&O's FY25 financial performance was not as bad as we expected, making up 125.3% of our FY25 full year earnings estimates.

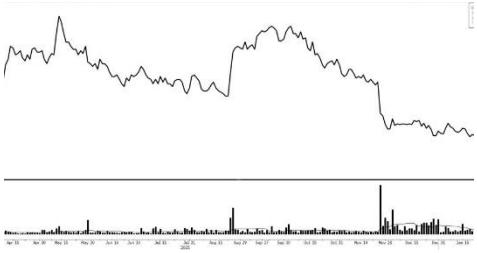
Adjustment in earnings forecasts. We continue to anticipate better volume recovery in 2026 and 2027, albeit at a slower pace. However, we lift FY26/27 earnings estimates by +25.9% and +34.5% respectively due to the ongoing operational discipline.

Nonetheless, to be on the conservative end, we do not think that there will be dividend to be declared in the foreseeable term. This is consistent with the zero-dividend declared for FY25.

Revision in target price. Given the uncertain outlook, we reduced our target PER to 12.3x from 25.6x previously. Our new target PER is the five-year lower PER. This led to lower target price of RM0.43 from RM0.77 previously.

RETURN STATISTICS	
Price @ 27th February 2026 (RM)	0.47
Expected share price return (%)	-8.5
Expected dividend yield (%)	+0.0
Expected total return (%)	-8.5

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-23.9	-25.5
3months	-28.0	-54.4
12 months	-63.3	-66.7

INVESTMENT STATISTICS

FYE 31st Dec (RM'm)	2026E	2027F	2028F
Revenue	1,042	1,095	1,151
Operating Profit	64.3	73.4	84.8
Profit Before Tax	51.2	59.3	69.6
Core PATAMI	43.7	50.6	59.4
Core EPS	3.5	4.1	4.8
DPS	0	0	0
Dividend Yield (%)	0.0	0.0	0.0

KEY STATISTICS

FBM KLCI	1,716.61
Issue shares (m)	1239.48
Estimated free float (%)	78.41
Market Capitalisation (RM'm)	582.56
52-wk price range	RM0.51 - RM1.6
3-mth average daily volume (m)	7.58
3-mth average daily value (RM'm)	5.86
Top Shareholders (%)	
PRT Capital Pte Ltd	13.05
Keen Capital Investments	12.38
Omega Riang Sdn Bhd	9.10

Analyst
Foo Chuan Loong, **Martin**
martin.foo@mbsb.com
03-2173 8391

D&O GREEN TECHNOLOGIES BHD: 4QFY25 RESULTS SUMMARY

FYE 31st December (All in RM'm unless stated otherwise)	Quarterly			Cumulative		
	4Q25	% YoY	% QoQ	FY25	FY24	% YoY
Revenue	248.1	-5.3	-3.3	989.7	1076.2	-8.0
EBITDA	-12.8	-141.8	-94.2	-173.6	151.8	-214.4
Depreciation and amortisation	-25.0	7.9	0.3	-99.5	-90.4	10.1
EBIT	-37.8	-612.0	-84.5	-273.1	61.3	-545.3
Finance costs	-4.1	-18.8	-11.9	-19.2	-22.4	-14.3
Interest income	1.1	-3.6	-7.8	5.0	6.9	-27.5
Contribution from JV	0.0	n.m.	n.m.	0.0	-0.1	n.m.
Profit before taxation	-40.8	n.m.	n.m.	-287.4	45.7	-729.2
Taxation	-26.2	2221.8	-144.0	33.1	-2.9	-1246.4
Non-controlling interest	-6.8	-5828.6	64.2	-26.1	3.3	-894.4
PATANCI	-60.1	-2818.5	-64.5	-228.2	39.5	-677.6
Normalised PATANCI	13.9	0.6	1.4	36.3	53.5	-32.1
EPS (sen)	1.1	529.2	-110.7	2.9	4.3	-32.1
		+/- ppts	+/- ppts			+/- ppts
EBITDA margin (%)	-5.1	-16.8	80.3	-17.5	14.1	-31.6
EBIT margin (%)	-15.2	-18.0	79.9	-27.6	5.7	-33.3
Normalised PATANCI margin (%)	5.6	0.3	0.1	3.7	5.0	-1.3
Effective tax rate (%)	-64.2	-96.8	-88.2	11.5	6.3	5.2

Source: Company, MBSBR

FINANCIAL SUMMARY

Income Statement (RM'm)	2024A	2025A	2026E	2027F	2028F
Revenue	1076.2	989.7	1041.7	1095.0	1151.1
EBITDA	151.8	-173.6	169.6	182.3	191.3
EBIT	61.3	-273.1	64.3	73.4	84.8
PBT	45.7	-287.4	51.2	59.3	69.6
Normalised PATANCI	53.5	36.3	43.7	50.6	59.4
Normalised EPS (sen)	4.3	2.9	3.5	4.1	4.8
Normalised EPS Growth (%)	51.7	-32.1	20.2	15.8	17.4
PER (x)	10.9	16.0	13.3	11.5	9.8
Dividend Per Share (sen)	0.3	0	0	0	0
Dividend yield (%)	0.6	0.0	0.0	0.0	0.0

Source: Company, MBSBR

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STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology