Corporate Update

Inari Amertron Berhad

(0166 | INRI MK) Main | Technology

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

Maintain BUY

Unchanged Target Price **RM2.95**

Regaining Loss Momentum from FY27 Onwards

Better outlook would also lead to expansion in profit margin. We are maintaining our BUY recommendation on Inari with an unchanged target price of RM2.95 post the announcement of the 4QFY26 quarterly results. As expected, FY26 normalised earnings came in lower as compared to FY25 due to the lower volume loading in radio frequency (RF) business segment. Moreover, the fire incident further weakens the group's reported profitability. Moving forward, we anticipate a commendable rebound in the RF business, premised on content recovery. The earnings growth will also be supported by promising outlook for the optoeletronics business. This will also lead to more favourable product mix which should support the expansion of the profit margin to above the 20% level. Furthermore, impending M&A activities could provide further rerating to the group.

Impacted by the fire incident. Inari reported 4QFY26 earnings of RM6.1m. However, after adjusting for exceptional items, the normalised earnings amounted to RM46.4m (-27.8%yoy). The lower earnings were primarily due to lower loading volume of RF business segment as compared to the corresponding quarter last year.

Note that bulk of exceptional items pertained to the provision for fire loss at AIP amounting of RM41.9m. To recall, on 10th May 2026, the fire, which was believed to be caused by a wiring short circuit in the ceiling area, affected part about 10% of the 125k sq ft manufacturing space at CK1 manufacturing plant in Clark Philippines. The group has also submitted an insurance claim amounting to RM30.5m which has yet been approved.

Meeting expectation. On a cumulative basis, FY26 normalised earnings totalled to RM197.0m, a decline of -24.6%yoy. This is reflective of the -12.2%yoy contraction in revenue to RM1,187.3m which mainly emanate from the RF business segment.

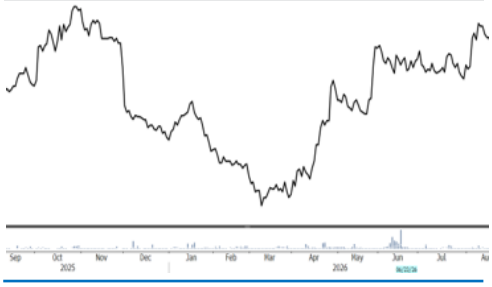
All in, Inari's FY26 financial performance came in within our expectations, making up 95.0% of full year FY26 earnings estimates.

Revision in earnings forecasts and target price. We made no change to our earnings estimates and target price at this juncture.

Lower dividend. The group declared 4QFY26 dividend of 1.37sen which led to full year FY26 dividend of 4.70sen. This is comparatively lower (-14.5%yoy) as compared to 5.5sen declared for FY25 in view of the weaker financial performance. Nonetheless, this is in-line with our expectation of 4.9sen dividend for FY26.

RETURN STATISTICS	
Price @ 27th August 2026 (RM)	2.50
Expected share price return (%)	+18.0
Expected dividend yield (%)	+4.1
Expected total return (%)	+22.1

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	7.6	5.4
3months	6.2	5.0
12 months	18.2	7.4

INVESTMENT STATISTICS

FYE Dec (RM'm)	2027E	2028F	2029F
Revenue	1,409.5	1,654.5	1,859.7
Operating Profit	293.5	429.5	519.8
Profit Before Tax	347.4	484.6	576.0
Core PATAMI	310.2	432.0	514.4
Core EPS	8.2	11.4	13.6
DPS	7.4	10.3	12.2
Dividend Yield (%)	3.4	4.7	5.6

KEY STATISTICS

FBM KLCI	1,741.72
Issue shares (m)	3,788.95
Estimated free float (%)	74.80
Market Capitalisation (RM'm)	9,472.4
52-wk price range	RM1.21 – RM2.67
3-mth average daily volume (m)	21.51
3-mth average daily value (RM'm)	48.84
Top Shareholders (%)	
Employees provident fund	17.42
Kumpulan Wang Persaraan	10.08
Insas Bhd	5.68

Analyst
Foo Chuan Loong, **Martin**
martin.foo@mbsb.com
03-2173 8353

INARI AMERTRON BHD: 4QFY26 RESULTS SUMMARY

Financial year Ending 30th June (All in RM'm unless stated otherwise)	Quarterly Results			Cumulative		
	4Q26	% YoY	% QoQ	2026	2025	% YoY
Revenue	288.9	-5.8	8.7	1,187.3	1,351.9	-12.2
EBITDA	27.3	-55.5	-42.7	209.5	292.4	-28.4
Depreciation and amortisation	-32.0	-3.2	0.5	-128.9	-137.9	-6.5
EBIT	-4.8	-117.0	-130.5	80.6	154.5	-47.9
Finance costs	-0.2	-71.7	-63.0	-1.8	-1.9	-5.2
Interest income	15.4	-15.1	13.8	58.8	67.7	-13.2
PBT	10.4	-77.2	-63.8	137.6	220.3	-37.6
Taxation	-5.1	-229.5	136.6	-15.0	-7.2	108.5
Non controlling interest	-0.8	-355.2	-40.5	-4.9	-5.6	-12.4
PATANCI	6.1	-87.5	-78.0	127.5	218.7	-41.7
Normalised PATANCI	46.4	-27.8	44.8	197.0	261.3	-24.6
Normalised EPS (sen)	1.2	-28.3	44.5	5.2	6.9	-25.0
EBITDA margin (%)	9.4	-10.5	-8.5	17.6	21.6	-4.0
EBIT margin (%)	-1.7	-10.8	-7.6	6.8	11.4	-4.6
Normalised PATANCI margin (%)	16.1	-4.9	4.0	16.6	19.3	-2.7
Effective tax rate (%)	48.9	57.5	41.4	10.9	3.3	7.6

Source: Company, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2025A	2026A	2027E	2028F	2029F
Revenue	1,351.9	1,187.3	1,409.5	1,654.5	1,859.7
EBITDA	346.2	276.0	432.4	565.0	652.4
EBIT	208.3	147.1	293.5	429.5	519.8
PBT	231.5	137.6	347.4	484.6	576.0
Normalised PATANCI	261.3	194.0	310.2	432.0	514.4
Normalised EPS (sen)	6.9	5.1	8.2	11.4	13.6
EPS Growth (%)	-14.9	-25.7	59.9	39.3	19.1
PER (x)	31.5	42.4	26.5	19.0	16.0
Dividend Per Share (sen)	5.5	4.7	7.4	10.3	12.2
Dividend yield (%)	2.5	2.2	3.4	4.7	5.6

Balance Sheet (RM'm)	2025A	2026A	2027E	2028F	2029F
Fixed assets	726.2	703.9	685.0	669.6	656.0
Intangible assets	9.9	9.8	9.8	9.8	9.8
Others	24.0	29.7	29.7	29.7	29.7
Non-current assets	760.1	743.4	724.5	709.1	695.5
Cash	2141.4	2214.1	2275.6	2314.9	2364.4
Trade debtors	254.5	250.2	242.8	285.0	320.3
Others	246.0	234.8	198.6	221.9	241.4
Current assets	2641.8	2699.2	2717.0	2821.7	2926.1
Trade creditors	233.0	275.8	239.1	280.7	315.5
Short-term debt	3.0	4.0	5.0	6.0	7.0
Others	47.5	35.2	34.2	33.2	32.2
Current liabilities	283.4	315.0	278.3	319.9	354.7
Long-term debt	3.0	4.0	5.0	6.0	7.0
Others	25.1	23.6	22.6	21.6	20.6
Non-current liabilities	28.1	27.6	27.6	27.6	27.6
Share capital	2186.9	2250.9	2250.9	2250.9	2250.9
Retained earnings	579.9	535.6	566.6	609.8	661.3
Reserve	-3.1	-8.7	-8.7	-8.7	-8.7
Minority interest	326.7	322.1	326.7	331.2	335.7
Equity	3090.4	3100.0	3135.6	3183.3	3239.3

Cash Flow (RM'm)	2025A	2026A	2027E	2028F	2029F
PBT	231.5	137.6	347.4	484.6	576.0
Depreciation & amortisation	137.9	128.9	138.9	135.5	132.6
Changes in working capital	-47.1	47.5	7.0	-23.9	-20.0
Others	-40.3	-0.6	6.6	-32.6	-48.0
Operating cash flow	321.8	320.6	460.7	548.1	631.4
Capital expenditure	-112.4	-97.5	-120.0	-120.0	-119.0
Others	-117.7	-297.5	0.0	0.0	0.0
Investing cash flow	-230.1	-395.0	-120.0	-120.0	-119.0
Debt raised/(repaid)	0.0	0.0	0.0	0.0	0.0
Equity raised/(repaid)	0.0	0.0	0.0	0.0	0.0
Dividends paid	-238.3	-183.4	-279.2	-388.8	-462.9
Others	38.096	59.733	0	0	0
Financing cash flow	-200.2	-123.7	-279.2	-388.8	-462.9
Net cash flow	-108.5	-198.0	61.4	39.3	49.5
Beginning cash flow	1933.9	1733.9	1508.1	1569.5	1608.8
Ending cash flow	1733.9	1508.1	1569.5	1608.8	1658.3

Profitability Ratios (%)	2025A	2026A	2027E	2028F	2029F
EBITDA margin	25.6	23.3	30.7	34.1	35.1
PBT margin	17.1	11.6	24.6	29.3	31.0
PATAMI margin	19.3	16.3	22.0	26.1	27.7

Source: Bloomberg, MBSBR

MBSB RESEARCH is part of MBSB Investment Bank Berhad 197501002077 (24878-X)

(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report is prepared by MBSB Investment Bank Berhad (Company Registration No.: 197501002077 (23878-X)) and is for distribution only to the intended readers and under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is provided solely for informational purposes and does not constitute a Shariah advice nor constitute an investment recommendation or basis for any credit or other evaluation in any manner whatsoever.

The opinions and analyses contained in this report are based on information obtained or derived from sources that MBSB Investment Bank Berhad believes to be reliable. Any forward-looking statements in this report speak only as of the date of such statements. However, MBSB Investment Bank Berhad makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or reliability of such information, and it should not be relied upon as such.

While the information presented in this report may include references to Shariah-compliant and non-compliant securities or other financial instruments, this report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments or to promote or endorse any specific investment. Investors are strongly advised to conduct their own due diligence and to consult licensed Shariah or financial advisors before making any investment decisions. Any action taken based on this report is at the sole discretion and risk of the investor.

The analyses in this report are based on numerous assumptions, and different assumptions could yield different results. All opinions and estimates in this report are subject to change without notice.

The research analysts will initiate, update, and cease coverage solely at the discretion of MBSB Investment Bank Berhad.

The directors, employees, and representatives of MBSB Investment Bank Berhad and MBSB Berhad may have interests in any of the securities mentioned and may benefit from the information contained herein. Members of MBSB Berhad and their affiliates may provide services to any company or its affiliates whose securities are mentioned in this report.

This report shall not be reproduced, distributed, or published in any form or for any purpose without the prior written consent of MBSB Investment Bank Berhad.

MBSB INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

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