

26 May 2026

# Supercomnet Technologies

## A Few Wrinkles, Look Beyond 1QFY26

By Raymond Choo Ping Khoo | [pkchoo@kenanga.com.my](mailto:pkchoo@kenanga.com.my)

SCOMNET's 1QFY26 was impacted by delayed shipments delivery and lower capacity utilisation arising from the Chinese New Year and Hari Raya festive holidays. It has guided that ECG and video cable products are expected to grow by 15% in FY26. As an indication, its key customer, AMBU endoscopy solutions in its latest FY26 quarterly results guided for 15% revenue growth in FY26. We maintain our forecasts, TP of RM0.85 and our OUTPERFORM call.

The key highlights from SCOMNET's 1QFY26 post-results briefing are as follows:

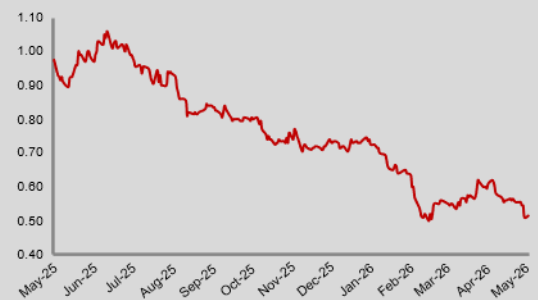
- 1) The group explained that the weak set of results were impacted by delayed shipments delivery and lower capacity utilisation arising from the Chinese New Year and Hari Raya festive holidays. It has since saw orders returning and back log orders is expected to be booked in 2QFY26. Additionally, the lower 1QFY26 revenue was partly due to a RM4m loss in revenue from a key Chinese customer in the automotive segment since 4QFY25. However, it is confident of replacing and securing new orders from a new customer. It is optimistic of narrowing losses in the automotive segment. As an indication, 1QFY26 loss narrowed to RM0.3m vs RM0.5m in 1QFY25. To recap, 1QFY26 revenue and net profit fell 13% and 22% YoY to RM30m and RM6m, respectively.
- 2) It has guided that key customer AMBU (specialises in endoscopy solutions) including ECG and video cable products are expected to grow by 15% in FY26 in line with our forecasts. As an indication, AMBU endoscopy solutions in its latest FY26 quarterly results guided for 15% revenue growth in FY26. The medical segment remains its key anchor driver accounting for over 80% of revenue. Specifically, ECG and smart cables make up about 50% of medical segment revenue. In the meantime, Magnetar EEG Electrode Cable 2,000 sets have been supplied to Customer A. It expects mass production targeted for end-3QCY26. Similarly, smart cable for critical care monitoring production has grown consistently over the past few months.
- 3) For the intravenous (IV) controller, this product is targeting Customer I. However, due to technical issues, SCOMNET is presently targeting the European market in small batches. In terms of Magnetar EEG Electrode Cable for Customer A, 2,000 sets have been supplied to customer A for an exhibition which are sellable. Customer A is also setting up a new plant in Mexico to serve the South American market. It currently controls around 5% of the global endoscope market. Major examples include the soft-launch of AI smart cables for existing Customer E and new Customer G, the electroencephalogram (EEG) cable for Customer A as well as the syringe infusion system for Customer I. Its new business opportunities have broadened following Customer E's sale of its critical care division to new Customer B. Given Customer E's longstanding relationship with Scomnet, it is looking to retain Scomnet as its supplier.

**Valuation.** We keep our forecasts, TP of RM0.85 based on 20x FY27F EPS, at 30% discount to proxy peers' average of 32x (Scomnet historically trades at 25-40% discount to both Ambu A/S and Edwards Lifesciences Corp). We like SCOMNET for: (i) the bright prospects of

# OUTPERFORM ↔

**Price:** RM0.52  
**Target Price:** RM0.85 ↔

### Share Price Performance



KLCI	1,708.50
YTD KLCI chg	1.7%
YTD stock price chg	-28.0%

### Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	SCT MK
Market Cap (RM m)	436.7
Shares Outstanding	848.0
52-week range (H)	1.07
52-week range (L)	0.49
3-mth avg. daily vol.	1,147,200
Free Float	32%
Beta	1.1

### Major Shareholders

Shiue Jong-Zone	13.7%
Chih-Yu Hsueh	12.8%
Shiue Jyh-Jeh	12.0%

### Summary Earnings Table

FY Dec (RM m)	2025A	2026F	2027F
Turnover	140.1	161.1	176.4
EBITDA	38.9	47.7	55.2
PBT	33.5	41.0	48.2
Net Profit	26.0	31.5	37.1
Core Net Profit	26.0	31.5	37.1
Consensus (NP)	-	29	31
Earnings Revision	-	-	-
EPS (sen)	3.0	3.7	4.3
EPS Growth (%)	(16.8)	21.1	17.5
NDPS (sen)	2.3	2.3	2.3
PER (x)	16.8	13.9	11.8
PBV (x)	1.0	1.0	1.0
Net Gearing (%)	Cash	Cash	Cash
Net Div. Yield (%)	4.2	4.2	4.2

26 May 2026

disposable endoscopes and ECG cables, (ii) its solid business model from product conceptualisation, design and manufacturing of OEM and ODM tubing cable assemblies and devices, hence keeping most of the margins to the group, and (ii) the superior margins of its business model. There is no adjustment to our TP based on ESG given a 3-star rating as appraised by us (see next page).

**Key risks to our recommendation include:** (i) product approval from the relevant regulatory authorities and (ii) lower-than-expected order in the public segment.

Income Statement						Financial Data & Ratios					
FY Dec (RM m)	2023A	2024A	2025A	2026F	2027F	FY Dec	2023A	2024A	2025A	2026F	2027F
Revenue	138.1	149.9	140.1	161.1	176.4	<b>Growth</b>					
EBITDA	35.3	45.7	38.9	47.7	55.2	Turnover	(12.8)	8.5	(6.5)	15.0	9.5
Dep & Amort	(3.1)	(5.9)	(6.0)	(7.3)	(7.7)	EBITDA	(23.5)	29.2	(14.9)	22.7	15.8
PBT	32.2	40.8	33.5	41.0	48.2	Operating Profit	- 26	34.9	-18	22.9	17.9
Taxation	-8.2	-9.4	-7.5	-9.5	-11.2	PBT	(24.6)	26.5	(17.7)	22.4	17.5
Minorities	24.0	31.3	26.0	31.5	37.1	Net Profit /(loss)	(26.9)	30.3	(16.8)	21.1	17.5
<b>Balance Sheet</b>						<b>Profitability</b>					
FY Dec (RM m)	2023A	2024A	2025A	2026F	2027F	EBITDA Margin	25.6%	30.5%	28.0%	29.6%	31.3%
Fixed Assets	21.5	29.4	45.8	48.5	50.8	Operating Margin	9.5%	21%	27%	23%	25%
Int. Assets	87.5	87.5	87.5	87.5	87.5	PBT Margin	23%	27%	24%	25%	27%
Other FA	13.2	17.6	14.7	14.7	14.7	Core Net Margin	17%	21%	19%	20%	21%
Inventories	41.8	46.9	39.4	41.9	49.6	Eff. Tax Rate	25%	23%	22%	23%	23%
Receivables	22.5	33.6	27.8	31.0	35.0	ROA	19.6	23.3	17.6	20.9	24.2
Other CA	174.6	197.8	214.2	214.2	214.2	ROE	7%	7%	6%	7%	8%
Cash	27.5	31.7	16.9	16.7	26.0	<b>DuPont Analysis</b>					
Total Assets	388.6	444.5	446.2	454.5	477.7	Net Margin (%)	17%	21%	19%	20%	21%
Payables						Assets T/O (x)	2.8	3.0	3.2	2.8	2.7
ST Borrowings	20.1	18.4	12.1	13.9	15.2	Lev. Factor (x)	1.1	1.1	1.0	1.0	1.1
Ot. ST Liability	-	-	5.2	-	-	ROE (%)	7%	7%	6%	7%	8%
LT Borrowings	1.6	1.7	0.8	0.8	0.8	<b>Valuations</b>					
Ot. LT Liability	-	-	-	-	-	EPS (sen)	3.1	3.6	3.0	3.7	4.3
Minorities Int.	6.8	3.5	2.6	2.6	2.6	NDPS (sen)	2.0	2.0	2.3	2.3	2.3
Net Assets	360.2	420.8	425.6	437.3	459.2	BVPS (RM)	0.5	0.5	0.5	0.5	0.5
Share Capital	265.9	314.7	314.7	314.7	314.7	PER (x)	16.5	14.0	16.8	13.9	11.8
Treasury shares	94.7	106.8	114.6	126.3	143.6	Net Div. Yield(%)	3.9%	3.9%	4.5%	4.5%	4.5%
Reserves	(0.4)	(0.6)	(3.7)	(3.7)	(3.7)	P/BV (x)	6.0	1.1	1.0	1.0	1.0
Equity	360.2	420.9	425.6	437.3	454.6						
<b>Cashflow Statement</b>											
FY Dec (RM m)	2023A	2024A	2025A	2026F	2027F						
Operating CF	23.7	20.5	36.2	29.9	38.0						
Investing CF	(33.4)	(41.1)	(27.5)	(9.0)	(9.0)						
Financing CF	4.5	27.2	(21.1)	(19.8)	(19.8)						
Change In Cash	(5.2)	6.7	(12.3)	1.1	9.2						
Free CF	23.7	20.5	36.2	29.9	38.0						

Source: Kenanga Research, Bursa Malaysia

### Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside	Market Cap (RM m)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE (%)	Net Div. (sen)	Net Div Yld
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
<b>Stocks Under Coverage</b>																	
DUOPHARMA BIOTECH BERHAD	OP	1.27	1.72	35.4%	1,222	Y	12/2026	11.5	12.1	14%	5%	11.0	10.5	1.5	14.0%	4.6	3.6%
IHH HEALTHCARE BHD	MP	8.96	8.50	-5.1%	79,172	Y	12/2026	23.8	25.9	15%	9%	37.6	34.6	2.5	6.8%	10.0	1.1%
KOTRA INDUSTRIES BHD	MP	3.77	3.88	2.9%	559	Y	06/2026	28.7	25.8	-5%	-10%	13.1	14.6	2.0	15.3%	24.5	6.5%
KPJ HEALTHCARE BHD	MP	3.15	3.05	-3.2%	13,943	Y	12/2026	8.0	8.7	14%	8%	39.4	36.4	5.1	13.8%	4.2	1.3%
NOVA WELLNESS GROUP BHD	MP	0.330	0.380	15.2%	105	Y	06/2026	2.9	3.0	19%	4%	11.4	10.9	0.9	8.2%	1.6	4.8%
PHARMANIAGA BHD	UP	0.250	0.200	-20.0%	1,639	Y	12/2026	1.0	1.1	34%	8%	25.2	23.4	3.3	13.9%	0.4	1.4%
SCOMNET BHD	OP	0.515	0.850	65.0%	437	Y	12/2026	3.7	4.3	21%	18%	13.9	11.8	1.0	7.3%	2.3	4.5%
SUNWAY HEALTHCARE HOLDINGS BHD	MP	1.78	1.75	-1.7%	20,470	Y	12/2026	2.5	3.5	12%	43%	72.6	50.7	6.2	9.7%	0.6	0.3%

Source: Company, Bloomberg, Kenanga Research

### Stock ESG Ratings:

	Criterion	Rating			
<b>GENERAL</b>	Earnings Sustainability & Quality	★	★	★	☆
	Community Investment	★	★	★	
	Workers Safety & Wellbeing	★	★	★	
	Corporate Governance	★	★	★	
	Anti-Corruption Policy	★	★	★	
	Emissions Management	★	★	☆	
<b>SPECIFIC</b>	Product Quality & Safety	★	★	★	
	Effluent/Waste Management	★	★	☆	
	Automation & Innovation	★	★	★	
	Energy Efficiency	★	★	★	☆
	Supply Chain Management	★	★	★	☆
	Legal & Regulatory Compliance	★	★	★	
<b>OVERALL</b>		★	★	★	

☆ denotes half-star  
 ★ -10% discount to TP  
 ★★ -5% discount to TP  
 ★★★ TP unchanged  
 ★★★★ +5% premium to TP  
 ★★★★★ +10% premium to TP

26 May 2026

**Stock Ratings are defined as follows:****Stock Recommendations**

OUTPERFORM	: A particular stock's Expected Total Return is MORE than 10%.
MARKET PERFORM	: A particular stock's Expected Total Return is WITHIN the range of -5% to 10%.
UNDERPERFORM	: A particular stock's Expected Total Return is LESS than -5%

**Sector Recommendations\*\*\***

OVERWEIGHT	: A particular sector's Expected Total Return is MORE than 10%.
NEUTRAL	: A particular sector's Expected Total Return is WITHIN the range of -5% to 10%.
UNDERWEIGHT	: A particular sector's Expected Total Return is LESS than -5%.

**\*\*\*Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

---

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies. Kenanga Investment Bank Berhad being a full-service investment bank offers investment banking products and services and acts as issuer and liquidity provider with respect to a security that may also fall under its research coverage.

---

Published by:

**KENANGA INVESTMENT BANK BERHAD (15678-H)**

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Telephone: (603) 2172 0880 Website: [www.kenanga.com.my](http://www.kenanga.com.my) Email: [research@kenanga.com.my](mailto:research@kenanga.com.my)