

SKB Shutters Corporation Berhad (7115)

Strong Operational Leverage Drives Beat

Bloomberg Ticker: SKBS MK | Investment Horizon: 12 Months

Recommendation

We maintain our BUY recommendation with a target price of RM1.79 (from RM1.47). We have rolled forward our valuation base to FY27F and adjusted our PE multiple to 8x (from 10x on FY26F) to align with indirect peers, while factoring in stronger project deliveries and increased contributions from the shutters and doors segment.

Results Review

SKBSHUT's 9MFY26 earnings of RM25.2mn came in above expectations, accounting for 88% of the full-year forecast. The positive variance was due to better operational efficiency.

The group declared an interim dividend of 5.5 sen per share, which came above our expectations of zero dividend payout, marking the second year of dividend payouts.

YoY, 9MFY26 revenue increased by 9.3%, driven by stronger sales from the shutters and door segments, likely supported by the completion of data centre and industrial projects. Earnings surged 61.1% YoY, underpinned by a more favourable product mix and better production efficiency.

QoQ, 3QFY26 earnings declined by 4.2% in tandem with the drop in revenue, due to lower sales from both shutters and racking segments and a higher effective tax rate of 29% vs 23% in 2QFY26. Notably, the EBITDA margin improved by 4.8ppt to 39.3% on better product mix and operational efficiency.

Outlook

We remain positive on SKBSHUT's earnings growth, underpinned by (i) ongoing project completions, particularly from data centre-related jobs, (ii) a richer product mix that supports margin expansion, and (iii) incremental capacity from its new plant.

The new plant has been completed and is pending the Certificate of Completion and Compliance (CCC), with a gradual move-in planned for August. Both the new and old plants will operate concurrently during the transition. Management cautions that margins may experience some volatility as the migration process takes time to stabilize operations at the new facility, as we factored in a lower gross margin in FY27F.

While active tenders within the construction sector have moderated amid macroeconomic uncertainties, we believe SKBSHUT will continue to secure new contracts, particularly within the data centre and private hospital segments. The group is also expanding its tender participation into overseas markets, including Australia and New Zealand. Management remains confident in penetrating new markets through continuous product development, leveraging superior product quality and technical specifications as key competitive advantages.

Forecast

We increase our FY26F-FY28F earnings forecast by 25%-37% to reflect better operational efficiency and improved margin assumptions, as gross profit margin sustain at 39%-40%.

Investment Risk to our Call

(i) Regulatory and compliance risk, (ii) Product failures or defects, and (iii) Rising material costs.

BUY ↔

Target Price: RM1.79 (+99%) ↑

Current Share Price: RM0.895

Main Market
Industrial Products & Services

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Company Overview

SKB Shutters Corporation Berhad is a Malaysia-based company specializing in manufacturing and supplying roller shutters, steel doors, and storage systems. SKB has grown into a leading provider of high-quality and innovative security solutions for commercial, industrial, and residential applications, with shutter doors typically having a lifespan of 30–35 years.

Stock Information

Market Cap (RM'mn)	174.1
Issued Shares (mn)	194.5
52W High (RM)	1.02
52W Low (RM)	0.70
Estimated Free Float (%)	34.9
Beta vs FBM KLCI	1.6
3-month Average Vol. (mn)	0.2
Shariah Compliant	Yes

Consensus	FY25A	FY26F	FY27F
EPS (sen)	5.2	15.0	17.0
TP (RM)	High	Mean	Low
	1.47	1.47	1.47
Ratings	Buy	Hold	Sell
	1	0	0

Category	Score	Materiality	Weighted Score
Environmental	29	45%	2.8
Social	28	25%	1.4
Governance	28	30%	1.7
Total	85	100%	5.9

Results Summary

FYE 30 Jun (RM'mn)	3QFY25	2QFY26	3QFY26	QoQ (%)	YoY (%)	9MFY25	9MFY26	YoY (%)
Revenue	30.5	40.1	36.8	-8.2	20.4	101.4	110.8	9.3
EBITDA	7.0	13.9	14.5	4.4	105.7	27.3	38.3	40.3
Depreciation	-1.2	-1.3	-1.3	-1.2	2.2	-3.7	-3.9	-4.1
EBIT	5.8	12.6	13.2	4.9	127.9	23.6	34.4	45.9
Pretax Profit	5.7	12.5	13.1	5.0	129.0	23.0	34.2	48.7
Taxation	-1.1	-2.9	-3.9	35.5	245.0	-7.4	-9.0	-21.8
Net Profit	4.6	9.6	9.2	-4.2	100.2	15.6	25.2	61.4
Margin (%)								
EBITDA	23.0	34.5	39.3			26.9	34.5	
Pretax	18.7	31.1	35.6			22.7	30.9	
Net Profit	15.0	23.9	25.0			15.4	22.8	

Key Assumption

Revenue Growth	Actual		Unchanged		
	FY24	FY25	FY26F	FY27F	FY28F
Shutter & Door	20	28	35%	25%	20%
Racking	107%	60%	5%	5%	5%

Key Financial Metrics

FYE 30 Jun	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue (RM'mn)	115.7	137.7	167.2	202.8	238.4
EBITDA (RM'mn)	28.3	40.1	54.6	65.8	79.1
Pretax profit (RM'mn)	22.0	34.7	47.8	58.2	70.9
Net profit (RM'mn)	16.4	25.8	35.8	43.6	53.2
EPS (sen)	11.9	13.3	18.4	22.4	27.4
PER (x)	7.5	6.7	4.9	4.0	3.3
Core net profit (RM'mn)	16.4	25.8	35.8	43.6	53.2
Core EPS (sen)	11.9	13.3	18.4	22.4	27.4
Core EPS growth (%)	5.1	11.1	39.0	21.7	22.0
Core PER (x)	7.5	6.7	4.9	4.0	3.3
Net DPS (sen)	0	6.5	5.7	5.7	5.7
Dividend Yield (%)	0	7.3	6.4	6.4	6.4
ROE (%)	12.4	14.5	17.7	18.5	19.2
P/BV (x)	0.9	1.0	0.9	0.7	0.6

Peer Comparison

Name	Last Price	Market Cap (RM'mn)	FYE	Earnings Growth		P/E (x)			Div. Yield	ROE
				1-yr Fwd	2-yr Fwd	Hist.	1-yr Fwd	2-yr Fwd	1-yr Fwd	Hist.
Indirect Steel Peers										
	MYR									
UNITED U-LI CORP BHD	1.40	304.9	12/2026	N/A	N/A	7.1	7.4	6.1	5.7	10.6
BWYS GROUP BHD	0.18	179.4	12/2026	N/A	N/A	11.9	N/A	N/A	N/A	6.7
EONMETALL GROUP BHD	0.37	146.0	12/2026	N/A	N/A	N/A	N/A	N/A	N/A	-9.9
Simple Avg				N/A	N/A	9.5	7.4	6.1	5.7	2.5
SKB SHUTTERS CORP BHD	0.90	174.1	06/2026	39.0	21.7	6.7	4.9	4.0	6.4	18.5

Source: Bloomberg estimates, Tradeview Research (As of 26th May 2026)

Financial Exhibits

Income Statement

FYE 30 Jun (RM'mn)	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue	115.7	137.7	167.2	202.8	238.4
Operating expenses	(87.4)	(97.6)	(112.5)	(137.0)	(159.3)
EBITDA	28.3	40.1	54.6	65.8	79.1
Depreciation	(4.8)	(4.8)	(6.0)	(6.8)	(7.3)
EBIT	23.5	35.3	48.6	59.0	71.8
Net int income/(expense)	(1.5)	(0.6)	(0.8)	(0.8)	(0.8)
Exceptional gains / (losses)	0.0	0.0	0.0	0.0	0.0
Associates' contribution	0.0	0.0	0.0	0.0	0.0
Pretax profit	22.0	34.7	47.8	58.2	70.9
Tax	(5.6)	(8.9)	(11.9)	(14.5)	(17.7)
Minority interest	0.0	0.0	0.0	0.0	0.0
Net profit	16.4	25.8	35.8	43.6	53.2
Core PATAMI	16.4	25.8	35.8	43.6	53.2

Balance Sheet Statement

FYE 30 Jun (RM'mn)	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Fixed assets	32.2	48.8	45.3	49.4	48.0
Other long term assets	98.7	101.1	91.1	90.2	89.3
Total non-current assets	131.0	150.0	136.4	139.6	137.3
Cash and equivalents	5.4	4.4	34.6	62.6	114.5
Inventories	51.2	58.0	65.9	81.3	83.7
Receivables	22.7	27.8	32.1	38.9	45.7
Other current assets	38.1	71.1	59.2	47.9	32.2
Total current assets	117.4	161.3	191.8	230.7	276.2
Payables	33.1	48.5	41.2	50.8	51.8
Short term borrowings	21.9	25.9	25.9	25.9	25.9
Other current liabilities	0.5	0.2	-	-	-
Total current liabilities	55.5	74.5	67.1	76.7	77.7
Long term borrowings	59.9	58.3	58.3	58.3	58.3
Other long term liabilities	0.5	0.4	-	-	-
Total long term liab.	60.4	58.6	58.3	58.3	58.3
Shareholders' Funds	132.4	178.1	202.9	235.4	277.5
Minority Interest	0.0	0.0	0.0	0.0	0.0

Cash Flow Statement

FYE 30 Jun (RM'mn)	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Pretax Profit	22.0	34.7	47.8	58.2	70.9
Depreciation & amortisation	4.8	4.8	6.0	6.8	7.3
Working capital changes	0.1	13.8	(11.0)	1.1	5.5
Cash tax paid	(7.0)	(8.9)	(11.9)	(14.5)	(17.7)
Others	1.4	13.8	(11.0)	1.1	5.5
C/F from operation	21.3	58.3	19.8	52.5	71.4
Capex	(2.1)	(12.0)	(10.0)	(10.0)	(5.0)
Others	1.2	0.0	0.0	0.0	0.0
C/F from investing	(0.9)	(12.0)	(10.0)	(10.0)	(5.0)
Debt raised/(repaid)	(3.8)	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0
Others	(37.7)	(10.1)	(14.5)	(14.5)	(14.5)
C/F from financing	(41.5)	(10.1)	(14.5)	(14.5)	(14.5)
Net change in cash flow	(21.1)	36.2	(4.7)	28.0	51.9
Free Cash Flow	19.2	46.3	9.8	42.5	66.4



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