CNERGENZ

BUY

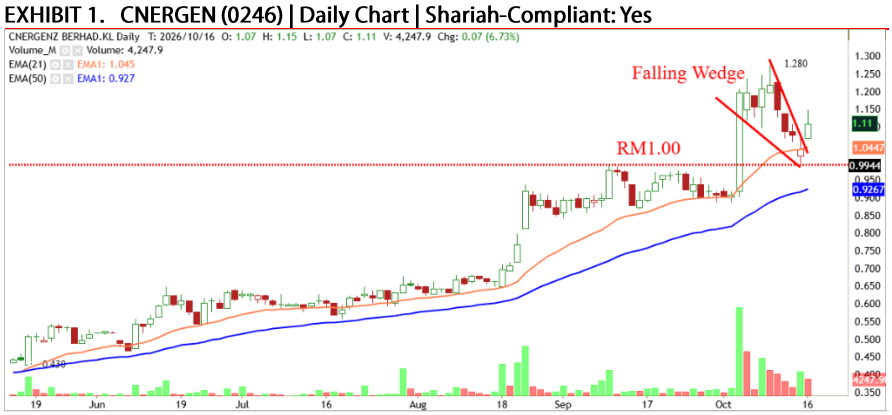
(Technical)

Rationale for report: Technical Update

Analyst (s)

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EXHIBIT 1. CNERGEN (0246) | Daily Chart | Shariah-Compliant: Yes



Source: AmInvestment Bank

- **Company Profile.** Cnergenz is an electronics manufacturing solutions provider specialising in surface mount technology (SMT) solutions for the electronics and semiconductor industries. Through its subsidiary, SiP Technology, the group offers integrated production line systems, standalone equipment and smart factory solutions. In June 2024, Cnergenz acquired a 51% stake in Xlent Innovator to expand its technology portfolio and strengthen its capabilities in automated and semi-automated machinery, complementing its existing automation business.

- **Investment Highlights**

  (i) Levered to the AI server build-out, with earnings visibility. Robust demand for the group's SMT equipment and integrated solutions across Southeast Asia is being driven by the volume production of AI servers and networking infrastructure. Orders from AI server and power management module manufacturers lifted its order book to RM178.24m as at 30 June 2026.

  (ii) ODM mix shift under way. The inline in-circuit AI tester station, developed for a Tier-1 US-based multinational ATE manufacturer, has commenced mass production, validating the group's design and quality capabilities with a global-calibre customer while signalling a shift from equipment supply towards higher-value AI opportunities.

  (iii) Smart Factory extends the runway. Robotics systems, integrated smart warehouse solutions and smart automation technologies broaden the group's addressable market beyond SMT, leveraging its existing customer relationships and market presence to capture rising demand for factory automation.

- **Financial Performance.** In 2QFY26, Cnergenz posted higher revenue of RM88.2mil (+4.4x YoY) and PAT of RM8.5mil (+8.7x YoY), mainly driven by higher sales of integrated solutions for SMT manufacturing lines, standalone SMT machines and equipment.

- **Valuation**. At 24x FY27F and 20x FY28F P/E, Cnergenz trades below the Bursa Technology Index's 30x forward P/E, but sustaining that valuation will depend on earnings delivery.

- **Technical View.** The stock broke out of its 2-week bullish falling wedge pattern on Friday, suggesting that its previous uptrend may have resumed. Its recent move above the key RM1.00 resistance, coupled with rising EMAs, indicates that the near-term upward momentum may persist.

About

This "Trading Idea" report by Retail Research is based on momentum analysis and a preliminary assessment of the subject company. It does not constitute an initiation of research coverage by AmInvestment Bank, confer any investment rating, or imply any commitment to provide regular updates.

Technical Snapshots

Price & Trend	
Last Price	RM1.11
21D EMA	RM1.05
50D EMA	RM0.93
Price vs 21D / 50D EMA	Above
21D vs 50D EMA	Bullish
52W Range	RM0.32 – RM1.28
Distance from 52W High	Within 15%
Distance from 52W Low	246% above
Volume Trend	Above Average
RS vs Sector	Outperform

Growth Metrics	
Revenue Growth (2QFY26)	+344% YoY
EPS Momentum (2QFY26)	+755% YoY
Sector	Technology - Equipment
FY27F P/E	24x
Market Cap	RM556mil
Shares Outstanding	500mil

Trading	
Technical Setup	Bullish Breakout
Entry	RM1.05 – RM1.11
S1 / S2	RM1.05 / RM1.00
R1 / R2	RM1.30 / RM1.40
Stop Loss	RM0.99
Upside to R2	+26%
Downside to Stop	-11%

Major Shareholders

Lye Yhin Choy	44.3%
Kong Chia Liang	23.2%

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