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Recommendation:	BUY
Current Price:	RM 1.71
Previous Target Price:	RM 2.61
Target Price:	↔ RM 2.61
Capital Upside/ Downside:	52.6%
Dividend Yield (%):	0.0%
Total Upside/ Downside	52.6%

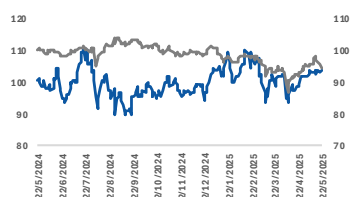
Stock information

Board	MAIN
Sector	Renewable Energy
Bursa / Bloomberg Code	0215 / SOLAR MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	754.7
Market Cap (RM' m)	1,290.6
52-Week Price Range (RM)	1.83- 1.44
Beta (x)	0.8
Free float (%)	51.9
3M Average Volume (m)	2.2
3M Average Value (RM' m)	3.6

Top 3 Shareholders

	(%)
Atlantic Blue Hlds Sdn Bhd	20.2
Lim Chin Siu	8.4
Tan Chyi Boon	7.8

Share Price Performance



	1M	3M	12M
Absolute (%)	5.6	-5.0	3.6
Relative (%)	3.8	-1.0	10.6

Earnings Summary	FY25	FY26F	FY27F
Revenue (RM' m)	536.8	786.1	1037.7
PATAMI (RM' m)	51.9	71.6	93.5
CNP (RM' m)	57.1	71.6	93.5
EPS - core (sen)	7.8	9.8	12.8
P/E (x)	21.8	17.4	13.3

Solarvest Holdings Berhad

Post-results briefing takeaways

- **Order book reached a record high of RM1.2bn (80% from utility-scale solar projects) and we are confident it will exceed RM2bn in the coming quarters.** The tender book has also expanded to 8.5GWp, with the majority still originating from the local market.
- **Near-term job flow momentum is expected to carry on, primarily driven by LSS5 projects.** YTD, SLVEST has secured 26.7% market share of LSS5 EPCC opportunities. We believe it will rise to 30% following 500MWac job awards from TNB, showcasing clients' confidence in SLVEST's ability to deliver.
- **SLVEST, through its two qualified consortia, will tender for two BESS projects with a combined capacity of 800MWh, at an estimated project value of up to RM1bn.** We have yet to factor in contribution from these projects, but it would serve as an additional earnings growth catalyst.
- **Maintain BUY recommendation with an unchanged target price of RM2.61, based on a SOP valuation, and appraised with a three-star ESG rating.**

We attended SLVEST's post-results briefing yesterday and came away feeling reassured of its promising outlook. Below are the key takeaways:

Record high earnings in FY25. SLVEST achieved its highest-ever net profit of RM57.2m (+63.2% yoy) in FY25, with a CNP margin of 10.6%. This was driven by greater revenue recognition from CGPP projects (40.8% of total revenue), alongside higher demand in the C&I rooftop solar segment (44.8% of total revenue). Moving forward, the Group expects acceleration of revenue recognition from CGPP projects, which have entered the S-curve accelerated growth phase, and remains confident of maintaining ~RM200m from C&I solar PV installations. Revenue growth is expected to be further supported by the full-year contribution of LSS4 assets (~RM23m) in FY26F and the ongoing Powervest programme, expected to contribute recurring revenue of RM51m per annum within 18 months of COD. In addition, other operating segments are expected to remain robust, supported by two newly acquired associates SIW and Kee Ming (with profit guarantees totalling RM6.9m), and increasing traction in project development and REC trading. The Group expects its net profit margin to maintain at 10.6% recorded in 4QFY24.

Eyeing more EPCC job flow. SLVEST continues to prioritise utility-scale solar projects, which account for 80% of its record high RM1.2bn outstanding order book as of 31 Mar 2025, representing 2.3x its FY25 revenue. Its tender book has expanded significantly to 8.5GWp (from 7.7GWp in 3QFY25), driven by a favourable RE landscape particularly in the local market, which comprises the majority of the tenders. Management is optimistic about securing these contracts from 2QFY26 onward and is confident in securing RM2bn in contract value for FY26F. We believe near-term order replenishment will primarily come from the LSS5 project, which typically materialises within six months of project developer appointment. YTD, SLVEST has secured 26.7% market share of LSS5 EPCC opportunities. We believe it could rise to 30% market share following the recent 500MWac job award from TNB, showcasing clients' confidence in SLVEST's ability to deliver.

Exploring BESS opportunities. SLVEST is actively tendering for two major BESS programmes, namely the 400MW/1,600MWh BESS initiative, comprising four 100MW/400MWh projects launched by Malaysia's Ministry of Energy Transition and Water Transformation (PETRA), through the Energy Commission, and TNB's 400MWh pilot BESS project. The RFP for the BESS projects were announced recently, and SLVEST will tender for two projects with a combined capacity of 800MWh through two of its qualified consortia. Awards are expected by end-2025, with execution anticipated within a 12-month timeframe. These projects are large-scale in nature, with estimated values of up to RM500m each. We are confident in SLVEST's financial and technical ability to execute these projects, positioning it as a front-runner among a limited pool of qualified contenders. At this juncture, we have yet to factor in any contribution from the BESS program. It would serve as an additional catalyst to earnings growth.

Earnings Revision. We maintain our earnings forecasts for now.

Valuation. We maintain our **BUY** recommendation with an unchanged **TP of RM2.61** based on a SOP valuation and a three-star ESG rating. We believe SLVEST is well-positioned to capitalise on government renewable energy initiatives, thanks to its unique in-house solar financing and its position as Malaysia's largest solar EPCC player.

Risks. Increase in solar module costs. Heavy reliance on government initiatives. Intense market competition.

Company Update

Friday, 23 May, 2025

Financial Highlights

Income Statement

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
Revenue	365.5	497.0	536.8	786.1	1037.7
Gross Profit	65.0	99.2	149.5	211.9	267.2
EBITDA	35.9	62.5	96.2	129.5	155.2
Depreciation & Amortisation	-4.1	-7.4	-12.5	-16.6	-16.6
EBIT	31.8	55.1	83.7	112.9	138.6
Net Finance Income/ (Cost)	-4.1	-7.9	-12.1	-21.2	-18.3
Associates & JV	0.0	0.0	2.6	6.9	8.1
Pre-tax Profit	27.7	47.2	74.2	98.6	128.3
Tax	-7.5	-13.1	-20.8	-25.6	-33.4
Profit After Tax	20.2	34.1	53.3	73.0	95.0
Minority Interest	0.5	1.4	1.4	1.4	1.5
Net Profit	19.7	32.6	51.9	71.6	93.5
Exceptionals	3.8	-2.4	-5.2	0.0	0.0
Core Net Profit	15.9	35.1	57.1	71.6	93.5

Key Ratios

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
EPS (sen)	2.2	4.8	7.8	9.8	12.8
P/E(x)	78.5	35.5	21.8	17.4	13.3
P/B(x)	6.3	5.3	3.4	2.9	2.3
EV/EBITDA(x)	34.0	19.0	11.1	7.4	6.7
DPS (sen)	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA margin (%)	9.8%	12.6%	17.9%	16.5%	15.0%
EBIT margin (%)	8.7%	11.1%	15.6%	14.4%	13.4%
PBT margin (%)	7.6%	9.5%	13.8%	12.5%	12.4%
PAT margin (%)	5.5%	6.9%	9.9%	9.3%	9.2%
NP margin (%)	5.4%	6.6%	9.7%	9.1%	9.0%
CNP margin (%)	4.3%	7.1%	10.6%	9.1%	9.0%
ROE(%)	8.0%	14.9%	15.7%	16.4%	17.6%
ROA (%)	3.3%	6.7%	5.5%	6.2%	7.2%
Gearing (%)	53.1%	73.7%	88.9%	88.4%	62.8%
Net gearing (%)	16.4%	25.7%	50.8%	67.1%	41.4%

Valuations	Equity Value (RM' m)	Valuation method
EPCC	1949.61	35x FY26F PER
Associates	69.00	10x FY26F PER
Solar assets	264.36	Ke=9.6%
Proceeds from warrants/ ESOS	190.53	
SOP Value	2473.50	
Enlarged share base (m share)	946.50	
Fair Value (RM)	2.61	
ESG premium/ discount	0.0%	
Implied Fair Value (RM)	2.61	

Source: Company, Apex Securities

Balance Sheet

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
Cash	72.6	112.9	138.1	93.0	113.6
Receivables	109.8	99.8	292.7	348.6	418.3
Inventories	21.0	13.6	17.4	24.4	34.1
Other current assets	96.7	70.6	231.2	271.1	303.2
Total Current Assets	300.1	296.9	679.3	737.1	869.3
Fixed Assets	168.6	215.7	246.3	315.0	316.2
Intangibles	0.1	0.0	0.4	0.4	0.4
Other non-current assets	5.6	7.8	104.6	107.3	108.0
Total Non-Current Assets	174.2	223.5	351.4	422.7	424.6
Short-term debt	17.3	9.5	141.9	192.6	166.7
Payables	108.2	67.1	202.2	172.3	231.1
Other current liabilities	39.4	28.3	124.6	147.8	179.9
Total Current Liabilities	165.0	105.0	468.7	512.7	577.8
Long-term debt	87.5	163.8	180.5	192.6	166.7
Other non-current liabilities	24.4	16.5	18.7	18.7	18.7
Total Non-Current Liabilities	111.9	180.3	199.2	211.3	185.4
Shareholder's equity	193.3	230.8	357.4	429.0	522.5
Minority interest	4.1	4.4	5.4	6.8	8.3
Total Equity	197.4	235.2	362.8	435.8	530.8

Cash Flow

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
Pre-tax profit	27.7	47.2	74.2	98.6	128.3
Depreciation & amortisation	4.1	7.4	12.5	16.6	16.6
Changes in working capital	27.2	-17.8	-181.8	-112.3	-21.3
Others	-2.5	-6.0	-19.1	-25.6	-33.4
Operating cash flow	56.5	30.8	-114.2	-22.7	90.3
Capex	-137.0	-53.3	-50.2	-85.2	-17.9
Others	0.1	-8.0	-21.3	0.0	0.0
Investing cash flow	##	-61.3	-71.5	-85.2	-17.9
Dividends paid	0.0	0.0	0.0	0.0	0.0
Others	89.3	54.3	212.8	62.9	-51.9
Financing cash flow	89.3	54.3	212.8	62.9	-51.9
Net cash flow	8.9	23.8	27.1	-45.0	20.6
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	28.0	36.8	60.5	87.2	42.2
Ending cash	36.9	60.6	87.6	42.2	62.8

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Emission intensity ratios were reduced to 0.60x from 0.64x in 2024 for Scope 1, and to 0.43x from 0.65x for Scope 2.
Waste & Effluent	★★★	3R (Reduce, Reuse, Recycle) initiative was implemented, with 3R bins placed in each office.
Energy	★★	Energy consumption increased by 27% in fuel for FY24, while electricity consumption was reduced by 11.6%.
Water	★★★	Water consumption intensity decreased by 43.8%, from 0.0064m ³ in the previous year to 0.0036m ³ .
Compliance	★★★	The Group complies with all local and international environmental regulations.

Social

Diversity	★★★	Female representation stands at 19.7% in the workforce and 30% at the management level, meeting the MCCG's recommendation of 30% female directors on the Board.
Human Rights	★★★	Enforces strict policies against human trafficking, forced labor, and child labor.
Occupational Safety and Health	★★★	A total of 6,474 hours of training have been conducted. No fatalities, with a reduction in the total recordable incident rate (TRIR) to 0, from 1 case last year.
Labour Practices	★★★	Adheres to all relevant labor laws.

Governance

CSR Strategy	★★★	Actively engaged with communities, contributing RM58,494 to various initiatives.
Management	★★★	Among the board members, 30% (2 out of 6) were female, while 60% (6 out of 10) were independent directors.
Stakeholders	★★★	Regularly organizes corporate events and holds an annual general meeting (AGM) for investors.

Overall ESG Scoring: ★★★

Recommendation Framework:

BUY: Total returns* are expected to exceed 10% within the next 12 months.

HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.

SELL: Total returns* are expected to be below -10% within the next 12 months.

TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.

TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.

*Capital gain + dividend yield

Sector Recommendations:

OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.

NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.

UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

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(a) nil.