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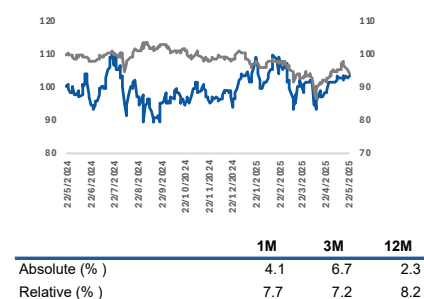
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Recommendation:	BUY
Current Price:	RM 1.76
Previous Target Price:	RM 2.61
Target Price:	↔ RM 2.61
Capital Upside/Downside:	48.3%
Dividend Yield (%):	0.0%
Total Upside/Downside:	48.3%

Stock information	
Board	MAIN
Sector	Renewable Energy
Bursa / Bloomberg Code	0215 / SOLAR MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	756.2
Market Cap (RM' m)	1,330.9
52-Week Price Range (RM)	1.83-1.44
Beta (x)	0.8
Free float (%)	52.0
3M Average Volume (m)	2.1
3M Average Value (RM' m)	3.5

Top 3 Shareholders	(%)
Atlantic Blue Hlds Sdn Bhd	20.2
Lim Chin Siu	8.4
Tan Chyi Boon	7.8

Share Price Performance



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)	22.4	17.9	13.7

Solarvest Holdings Berhad

First solar PPA in Brunei

- **SLVEST's 34%-owned JV company, SSPSB has signed a 25-year PPA with the Government of Brunei Darussalam to invest, build, and operate a 30MWac solar power plant.**
- **We view this PPA positively, as it marks SLVEST's first utility scale PPA in Brunei, enabling the Group to secure recurring income while establishing a foothold in a new regional market.**
- **We make no changes to our earnings forecast for now, pending fulfilment of conditions precedent in the PPA. Assuming COD by end-2026, the solar farm is expected to contribute c.0.3% and c.1.0% to our FY26F and FY27F earnings forecasts, respectively.**
- **Maintain BUY recommendation with an unchanged target price of RM2.61, based on a SOP valuation, and appraised with a three-star ESG rating.**

Secures 30MWac PPA. On 14 June, Solarvest Holdings Bhd (SLVEST), via its 34%-owned joint venture (JV) company, Seri Suria Power (B) Sdn. Bhd. (SSPSB), signed a 25-year PPA with the Government of Brunei to invest, build, and operate a 30MWac solar power plant in Kampong Belimbing, Brunei. The plant is set to break ground in 3QCY25, with COD anticipated by end-2026. SSPSB is jointly owned by Atlantic Blue Sdn. Bhd. (34% stake, a wholly-owned subsidiary of SLVEST), Khazanah Satu Sdn. Bhd. (30% stake, a Brunei government-linked investment agency), and Serikandi Oilfield Services Sdn. Bhd. (36% stake, a private Bruneian entity involved in energy, offshore services, and other infrastructure-related businesses).

Our take. We view the development **positively**, as it marks SLVEST's first utility scale PPA in Brunei, providing the Group with additional source of recurring income while establishing a strategic foothold in a new regional market. Our preliminary calculations suggest a minimal impact on our FY26F CNP forecast. Assuming a CAPEX of USD0.6m/MWac, a tariff rate of USD0.08/kWh, an 80:20 debt-to-equity financing structure, and a double-digit IRR, we estimate the project will generate c.RM0.5m-1.5m annually in PATMI for the Group, representing c.1.0% of FY27F CNP. Given SLVEST's gearing ratio was 0.57x as of 31 Mar 2025, we do not foresee any major challenges in securing financing. Notably, this will be Brunei's first large-scale solar plant under a public-private partnership and is set to become the country's largest solar installation. Brunei's installed solar capacity stood at just 5MW at end-2024, accounting for only 0.6% of its c.904MW total installed capacity. With a national target to achieve 30% RE capacity mix by 2035, the PPA could serve as a stepping stone for SLVEST's broader expansion in Brunei's RE sector.

Outlook. SLVEST aims to increase recurring income to 30% of annual revenue (up from 10% in 12MFY25), as outlined its five-year strategic roadmap. The recent PPA win in Brunei strengthens the Group's trajectory towards achieving 1GWac solar asset target (from ~300 MWac currently), while supporting its objective to expand recurring income stream. Brunei offers long-term regional growth potential beyond the Malaysia market. Over the near term, growth is expected to be supported by the LSS5+ programme, despite its compressed bid submission timeline. With RM950m available under the Sukuk Wakalah Programme, sufficient to finance up to 400MWac of solar farm projects (assuming leased land), we believe SLVEST remains well-positioned to expand its solar farm portfolio and deliver on its medium-term growth target.

Earnings revision. We make no changes to our earnings forecast for now, pending fulfilment of conditions precedent in the PPA. Assuming COD by end-2026, the solar farm is expected to contribute c.0.3% and c.1.0% to our FY26F and FY27F earnings forecasts, respectively.

Valuation. 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.

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)	80.8	36.6	22.4	17.9	13.7
P/B (x)	6.5	5.5	3.5	2.9	2.4
EV/EBITDA (x)	35.0	19.6	11.5	7.7	6.9
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	-136.9	-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	36.9	60.8	87.8	42.8
Ending cash	36.9	60.8	87.8	42.8	63.4

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.