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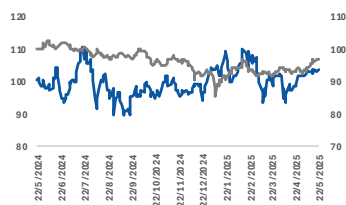
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Recommendation:	BUY
Current Price:	RM2.37
Previous Target Price:	RM2.61
Target Price:	↔ RM2.61
Capital Upside/Downside:	10.1%
Dividend Yield (%):	0.0%
Total Upside/Downside	10.1%

Stock information	
Board	MAIN
Sector	Renewable Energy
Bursa / Bloomberg Code	0215 / SOLAR MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	808.6
Market Cap (RM' m)	1,916.3
52-Week Price Range (RM)	2.55-1.44
Beta (x)	0.8
Free float (%)	49.6
3M Average Volume (m)	4.1
3M Average Value (RM' m)	8.8

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 (%)	-1.7	39.4	48.1
Relative (%)	-5.5	36.0	53.2

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)	30.2	24.1	18.5

Solarvest Holdings Berhad

Within Expectations

- **SLVEST's 1QFY26 CNP came in within expectations at RM16.9m (-29.2% QoQ, +108.3% YoY), accounting for 24% of our projection and consensus full-year estimates. The QoQ decline was mainly due to slower progress recognition under CGPP projects and the delayed commencement of new projects.**
- **We believe near-term order book replenishment remains robust, primarily fuelled by LSS5, where EPCC contracts are typically awarded about six to nine months after project developer appointment. We also expect the execution timeline to be accelerated to meet the official COD deadline for LSS5 projects by end-2027. YTD, SLVEST has secured c.26.7% EPCC market share under LSS5.**
- **Solar module prices currently hover around USD0.09/W and could trend higher towards year-end as China enforces its “anti-involution” policy to curb oversupply. Together with the introduction of SST, this may add to cost pressures, particularly for upcoming LSS5 and LSS5+ projects. That said, the continued strengthening of the MYR is likely to cushion part of the impact, mitigating some of the margin pressure.**
- **As of 30 June 2025, SLVEST's unbilled order book stood at RM1.2bn, equivalent to 2.2x its FY25 revenue.**
- **Maintain a BUY recommendation with an unchanged TP of RM2.61, based on a SOP valuation and a three-star ESG rating.**

Within expectations. After adjusting for forex losses (+RM1m), SLVEST's 1QFY26 core net profit (CNP) of RM16.9m was in line with expectations, representing 24% of both our projection and consensus full-year forecasts.

QoQ. CNP declined by 29.2%, primarily due to weaker contributions from the EPCC division, where the segmental PBT contracted by 18.9% on the back of slower progress recognition under CGPP projects and delayed commencement of new projects. Despite this, segmental margins expanded by 1.6%-pts to 10.5%, which we attribute to favourable FX movements (average USD/MYR of 4.31 in 1QFY26 vs. 4.45 in 4QFY25, representing a ~3.1% appreciation of the MYR) which lowered project costs, as well as a more favourable product mix, driven by front-loaded demand from the SELCO programme ahead of the BESS requirement prior to the end-2025 deadline. Additionally, the “Others” segment turned to LBT of RM0.9m from PBT of RM1.6m, which we attribute to lower demand for environmental commodities trading.

YoY. CNP surged by 108.3%, driven by improved performance from EPCC, O&M, and RE Generation divisions. Notably, the EPCC division's PBT more than doubled, driven by ongoing execution of CGPP projects. By comparison, contributions in 1QFY25 were weighed down by the tail-end of LSS4 projects, which carried thinner margins.

Outlook. We expect SLVEST to deliver robust earnings in the coming quarter, supported by revenue recognition from CGPP projects that are scheduled to achieve COD by end-2025. Near-term orderbook replenishment is likely to come from LSS5, where EPCC contracts are typically awarded to contractors about six to nine months after the LSS awards to developers, once financial close has been achieved. That said, we believe the execution window will be accelerated to meet the official COD deadline for LSS5 projects by end-2027. YTD, SLVEST has secured c.26.7% LSS5 EPCC market share.

Beyond this, LSS5+ is expected to anchor the next phase of contract flows, in line with the targeted COD timeline of 2027. The government's issuance of the MyBest RFP in May 2025, also slated for commercial operation in 2027, provides a meaningful medium-term catalyst, with a total tender size of c.RM2bn for 400MW/1,600MWh (each 100MW project valued at up to RM500m). Backed by its proven track record in both LSS projects, we believe SLVEST is well-positioned to emerge as a front-runner in the bidding process. On the risk side, solar module prices currently hover around USD0.09/w and could trend higher towards year-end as China enforces its ‘anti-involution’ policy

to curb oversupply. Coupled with the introduction of SST for contract value exceeding RM1.5m within a 12-month period, this could add to cost pressures particularly for upcoming LSS5 and LSS5+ projects. Nevertheless, we believe the continued strengthening of the MYR is likely to cushion part of the impact, mitigating some of the margin pressure.

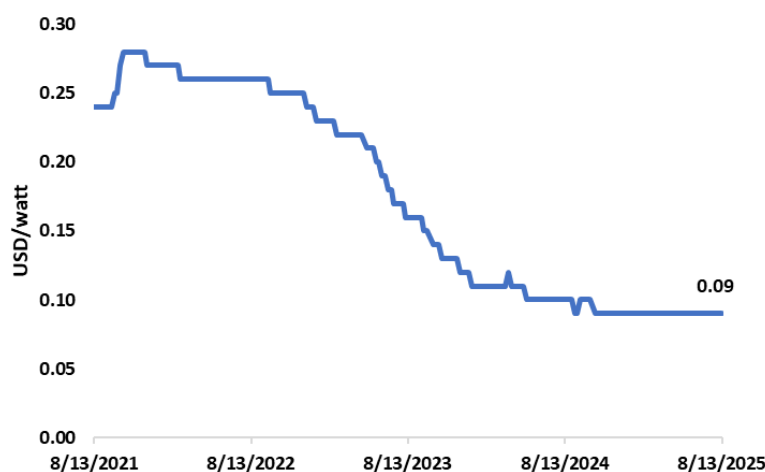
Orderbook. As of 30 June 2025, SLVEST's unbilled order book stands at RM1.2bn (77.6% from LSS, with the remainder from C&I and others), equivalent to 2.2x its FY25 revenue.

Earnings revision. No change to our earnings forecasts.

Valuation. Maintain a **BUY** rating on **SLVEST** 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.

Figure 1: Solar Module Price Trend



Source: Bloomberg, Apex Securities

Figure 2: YTD USD/MYR Trend



Source: Bloomberg, Apex Securities

Results Update

Thursday, 21 Aug, 2025

FYE Mar (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)	Comments
Revenue	137.7	72.7	89.6	224.9	(38.7)	137.7	72.7	89.6	
COGS	(97.3)	(48.9)	98.8	(168.1)	(42.1)	(97.3)	(48.9)	98.8	
Gross profit	40.5	23.7	70.6	56.8	(28.8)	40.5	23.7	70.6	
EBITDA	28.5	16.2	75.4	40.6	(29.9)	28.5	16.2	75.4	
Depreciation & Amortisation	(3.6)	(2.9)	24.5	(12.5)	(71.6)	(3.6)	(2.9)	24.5	
EBIT	24.9	13.4	86.3	28.0	(11.2)	24.9	13.4	86.3	
Net interest	(3.5)	(2.1)	70.6	(2.7)	27.4	(3.5)	(2.1)	70.6	
Associates/JV	0.7	(0.0)	nm	2.6	(74.3)	0.7	(0.0)	nm	
Pre-tax profit	22.1	11.3	95.9	27.9	(21.0)	22.1	11.3	95.9	
Tax expenses	(5.8)	(2.9)	99.5	(7.8)	(25.0)	(5.8)	(2.9)	99.5	
Profit after tax	16.3	8.4	94.6	20.2	(19.4)	16.3	8.4	94.6	
(-) Minority interest	0.4	0.4	(119)	(0.4)	nm	0.4	0.4	(119)	
PAT (-M I)	15.9	7.9	100.4	20.5	(22.7)	15.9	7.9	100.4	CNP declined qoq due to slower execution of CGPP projects.
Core net profit	16.9	8.1	108.3	23.9	(29.2)	16.9	8.1	108.3	
Core EPS (sen)	2.0	12		3.3		2.0	12		CNP increased yoy on higher contribution from CGPP projects, compared to the previous period which was driven by tail-end LSS4 projects with lower margins
DPS (sen)	-	-		-		-	-		
EBITDA margin (%)	20.7	22.3		18.0		20.7	22.3		
PBT margin (%)	16.0	15.5		12.4		16.0	15.5		
Effective tax rate (%)	26.4	25.9		27.8		26.4	25.9		
Core PATMI margin (%)	12.3	11.2		10.6		12.3	11.2		

Source: Company, Apex Securities

Segmental Breakdown

FYE Mar (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)	Comments
Revenue Breakdown									
EPCC	186.0	716	159.7	270.6	(31.3)	186.0	716	159.7	
O&M	3.9	2.5	60.4	4.2	(6.4)	3.9	2.5	60.4	
Power Supply	7.6	6.6	16.5	7.2	5.8	7.6	6.6	16.5	
Others	2.6	4.6	(42.2)	15.9	(83.3)	2.6	4.6	(42.2)	
Adjustment	(62.5)	(12.6)	397.1	(73.1)	(14.4)	(62.5)	(12.6)	397.1	
Total	137.7	72.7	89.6	224.9	(38.7)	137.7	72.7	89.6	
Profit Before Tax (PBT) Breakdown									
EPCC	19.5	8.5	129.7	24.1	(18.9)	19.5	8.5	129.7	We believe the expansion in EPCC value was driven by a more favourable product mix from C&I project
O&M	0.9	0.5	78.4	0.2	282.6	0.9	0.5	78.4	
Power Supply	3.0	2.3	31.3	16	90.6	3.0	2.3	31.3	
Others	(0.9)	0.7	nm	16	nm	(0.9)	0.7	nm	
Adjustment	(0.5)	(0.7)	(26.0)	0.4	nm	(0.5)	(0.7)	(26.0)	
Total	22.1	11.3	95.9	27.9	(21.0)	22.1	11.3	95.9	
PBT margin (%)									
EPCC	10.5%	119%		8.9%		10.5%	119%		
O&M	22.8%	20.5%		5.6%		22.8%	20.5%		
Power Supply	39.7%	35.2%		22.1%		39.7%	35.2%		
Others	-33.0%	14.3%		9.9%		-33.0%	14.3%		
Adjustment									
Total	16.0%	15.5%		12.4%		16.0%	15.5%		

Source: Company, Apex Securities

Results Update

Thursday, 21 Aug, 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)	108.8	49.3	30.2	24.1	18.5
P/B(x)	8.7	7.3	4.8	4.0	3.3
EV/EBITDA(x)	47.4	26.7	16.1	11.1	9.8
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 and bank balances	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

Results Update

Thursday, 21 Aug, 2025

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.