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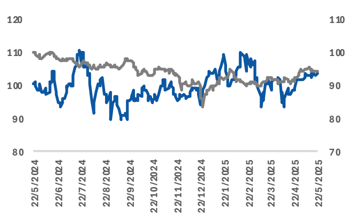
Recommendation:		BUY
Current Price:		RM 2.41
Previous Target Price:		RM 2.61
Target Price:	↑	RM 2.71
Capital Upside/Downside:		12.4%
Dividend Yield (%):		0.0%
Total Upside/Downside		12.4%

Stock information	
Board	MAIN
Sector	Renewable Energy
Bursa / Bloomberg Code	0215 / SOLAR MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	819.7
Market Cap (RM' m)	1,975.4
52-Week Price Range (RM)	2.55-1.44
Beta (x)	0.8
Free float (%)	48.1
3M Average Volume (m)	4.1
3M Average Value (RM' m)	9.0

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 (%)	-2.8	40.1	51.6
Relative (%)	-5.6	33.4	61.0

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)	30.7	24.5	18.8

Solarvest Holdings Berhad

470MWac LSS5+ Win

- **SLVEST, via a 20:80 JV with MALAKOF, has received a Letter of Notification from the EC to develop a 470MWac LSS plant in Perak under LSS PETRA 5+, with COD expected between 2027-2028.**
- **We view this PPA positively, as it marks SLVEST's first sizable utility-scale solar asset in Malaysia outside its Powervest programme, providing a new recurring income stream and reinforcing its long-term growth profile.**
- **We make no changes to our earnings forecast, as contributions are expected to begin in FY28, which is outside the current forecast period.**
- **Maintain BUY recommendation with a higher TP of RM2.71 (from RM2.61), incorporating SLVEST's 20% stake in the 470MWac solar project into our SOP valuation.**

Secures 470MWac PPA. On 2 Sept 2025, SLVEST, via a consortium with Malakoff Corporation Bhd (MALAKOF), received a Letter of Notification from the Energy Commission of Malaysia to develop a 470MWac large-scale solar photovoltaic (LSS) plant in Larut & Matang, Perak, under the LSS PETRA 5+ programme. The project will be undertaken through a special purpose vehicle (SPV), which will sign a 21-year solar power purchase agreement (SPPA) with TNB. The consortium is structured with MALAKOF holding an 80% stake and SLVEST 20%. The COD is expected between 2027 and 2028, in line with the EC's rollout schedule.

Our take. We view the development **positively**, as it marks SLVEST's first sizable utility-scale solar asset in Malaysia outside its Powerwest programme, providing the Group with an additional source of recurring income. Applying a rule of thumb of RM2.2m/MWac based on solar module prices of USD0.09/watt, the estimated capex for the 470MWac plant is c.RM1bn. Assuming an 80:20 debt-to-equity financing structure, and dispatch tariffs of 13-16 sen/kWh (industry estimates), the project is expected to generate a mid-single-digit IRR. We estimate contribution to SLVEST at ~RM4m/year in PATMI. As of 30 June 2025, SLVEST still had RM830m in unused sukuk issuance capacity, and we do not foresee any major hurdles in securing project financing.

Outlook. We view this PPA positively, as it aligns with SLVEST's medium term goal of raising recurring income to 30% of annual revenue (5.6% as of 3MFY26), as outlined in its 5-year strategic roadmap. To achieve the 1GWac RE assets target (from the current c.300MWac effective stake), solar farms will remain a key growth driver. Importantly, the recent reduction in the SAC makes solar offtake more competitive relative to the Green Electricity Tariff (GET), enhancing the attractiveness of solar investments for own consumption, particularly among corporates seeking to offset carbon emissions. This is expected to spur CRESS uptake, thereby providing an additional tailwind for SLVEST's expansion. From a financing perspective, assuming RM165m is allocated for the 470MWac plant, SLVEST would still have RM665m available under its Sukuk Wakalah Programme. This balance could fund up to c.300MWac of solar farm projects, underscoring achievability of its 1GW target. We believe SLVEST will most likely be the EPCC contractor for the job, given the 20% stake in the asset.

Earnings revision. The earnings forecasts are maintained, as the expected EPCC job win of c.RM950m falls within our FY26F orderbook replenishment assumption of RM2bn, and contributions from LSS5+ are expected to begin in FY28, which is outside the forecast period.

Valuation. Maintain our **BUY** recommendation with a higher **TP** of **RM2.71** (from RM2.61)**,** incorporating SLVEST's 20% stake in the 470MWac solar project into our SOP valuation, alongside 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.

KDN PP13226/06/2024 (035469)

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)	110.6	50.1	30.7	24.5	18.8
P/B (x)	8.9	7.5	4.8	4.0	3.3
EV/EBITDA (x)	48.2	27.2	16.4	11.4	10.0
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	351.18	Ke = 9.6%
Proceeds from warrants/ ESOS	190.53	
SOP Value	2560.31	
Enlarged share base (m share)	946.50	
Fair Value (RM)	2.71	
ESG premium/ discount	0.0%	
Implied Fair Value (RM)	**2.71**	

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 Liabilitie	**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

As of **Thursday, 04 Sep, 2025**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:
(a) nil.