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Recommendation:	BUY
Current Price:	RM 3.17
Previous Target Price:	RM 3.41
Target Price:	↑ RM 3.55
Capital Upside/Downside:	12.0%
Dividend Yield (%):	0.0%
Total Upside/Downside	12.0%

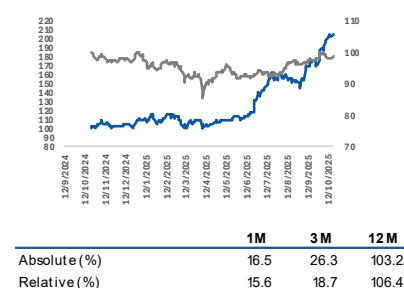
Stock information

Board	MAIN
Sector	Renewable Energy
Bursa / Bloomberg Code	0215 / SOLARMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	847.7
Market Cap (RM' m)	2,687.4
52-Week Price Range (RM)	3.25-1.52
Beta (x)	1.0
Free float (%)	45.6
3M Average Volume (m)	4.0
3M Average Value (RM' m)	10.3

Top 3 Shareholders

	(%)
Atlantic Blue Holdings Sdn Bhd	20.2
Lim Chin Siu	6.9
Tan Chyi Boon	6.5

Share Price Performance



Earnings Summary	FY25	FY26F	FY27F
Revenue (RM'm)	536.8	920.5	1463.9
PATAMI (RM'm)	51.9	86.4	127.1
CNP (RM'm)	57.1	86.4	127.1
EPS - core (sen)	7.8	11.9	17.4
P/E(x)	40.4	26.7	18.2

Solarvest Holdings Berhad

Private Placement for up to RM254.1m

- **SLVEST has proposed a private placement of up to 84.7m new shares, representing 10% of its existing share base. Based on an indicative issue price of RM3.00/share, the placement is expected to raise gross proceeds of RM254.1m.**
- **The proceeds will be utilised mainly for solar project CAPEX (49%), debt repayment (20%), and working capital (31%) to support ongoing and upcoming LSS5, LSS5+, and CGPP projects.**
- **We are positive on the development, as the exercise will strengthen the Group's balance sheet and enhance capacity to secure larger utility-scale solar projects. Nevertheless, the placement is expected to dilute FY27F EPS by about 8.4%, implying a fully diluted fair value of RM3.09/share.**
- **Earnings forecasts have been revised upward by 1.5% and 3.3% for FY26F and FY27F, respectively, following higher order book assumptions supported by improved financing capacity and stronger tender prospects in the solar segment.**
- **Maintain BUY with a higher TP of RM3.55 (from RM3.41), based on a SOP valuation and a three-star ESG rating.**

Proposed Placement. SLVEST has proposed a private placement of up to 84.7m new shares, representing 10% of its enlarged share capital based on existing issued share capital of 847.7m shares. The issue price will be determined later, at a discount of no more than 10% to the 5-day VWAP prior to price fixing. The placement is expected to be completed in 1HCY26 and may be executed in one or multiple tranches.

Based on an indicative issue price of RM3.00/share, the proposed placement is expected to raise up to RM254.1m. Of this, RM124.6m (49%) will be earmarked for CAPEX on solar PV projects, comprising RM30.0m for the 60MWac LSS5 facility in Kuala Langat, RM49.0m for the 470MWac LSS5+ project in Larut & Matang, and RM45.6m for the 100MWac Mukah Solar Project. In addition, RM50.0m (20%) will be allocated for the repayment of borrowings, specifically the Group's IMTN which will mature in September 2026, while RM79.2m (31%) will fund working-capital requirements, mainly for solar module procurement and subcontractor payments. The remaining RM0.3m is set aside for placement-related expenses.

The rationale of the exercise is to strengthen SLVEST's capital base and fund renewable energy expansion without incurring additional interest expense of RM2.8m. Upon completion, the private placement is expected to reduce gearing from 0.69x to 0.38x, thereby enhancing liquidity and financial flexibility ahead of the rollout of new LSS5+ and Corporate Green Power Programme (CGPP) projects.

Table 1: Details of Utilisation under Maximum Placement Scenario

Purpose	RM'm	%
CAPEX for solar projects	124.6	49.0
Repayment of bank borrowings	50.0	19.7
Working capital requirements	79.2	31.2
Estimated expenses in relation to the proposed placement	0.3	0.1
Total	254.1	

Source: Company, Apex Securities

Table 2: Solar Project Capex Allocation

Project	RM'm	%	Effective Stake (%)
60MWac LSS5, Kuala Langat, Selangor	30.0	24.1	60.0
470MWac LSS5+, Larut & Matang, Perak	49.0	39.3	20.0
100MWac SESCO, Mukah, Sarawak	45.6	36.6	60.0
Total	124.6		

Source: Company, Apex Securities

Table 3: Pro Forma Effects of the Proposed Private Placement

	As of LPD, 17 October 2025 RM'm	After the proposed placement RM'm
Share capital	315.9	569.9
Merger reserve	-25.3	-25.3
Reserves	171.8	171.8
Shareholder's equity/ NA	462.4	716.4
Non-controlling interests	5.4	5.4
Total equity	467.8	721.8
Number of SLVEST Shares ('000)	847.7	932.5
NA per SLVEST Share (RM)	0.55	0.77
Total borrowings (RM'000)	323.7	273.7
Gearing (times)	0.69	0.38

Source: Company, Apex Securities

Note: Figures after the proposed placement do not yet factor in the potential dilution from outstanding warrants and ESOS options.

Our Take. We are **positive** on the proposed placement. While the issuance will strengthen SLVEST's balance sheet through debt reduction, it will also result in an estimated 8.4% dilution to FY27F EPS under the fully diluted scenario, after accounting for the conversion of 20.7m outstanding warrants and 59.2m ESOS options. This implies a fully diluted fair value of RM3.09/share. The placement also reflects management's readiness to capitalise on upcoming utility-scale solar projects, which should reinforce SLVEST's growth trajectory over the medium term.

Earnings revision. We have raised our FY26F solar order book assumption to RM2.5bn (from RM2.4bn) following the proposed private placement, which is expected to enhance financing capacity and enable the Group to secure larger utility-scale solar projects. For FY27F, we maintain our order book replenishment forecast at RM2.2bn, as most resources are likely to be channelled toward executing existing projects. As a result, FY26F and FY27F earnings forecasts have been revised upward by 1.5% and 3.3%, respectively. The impact of the private placement is maintained pending determination of the issue price and completion of the exercise.

Valuation. We maintain our **BUY** recommendation with a higher TP of **RM3.55** (from RM3.41), alongside a three-star ESG rating. SLVEST remains well-positioned to capitalise on government-led renewable energy initiatives, supported by its in-house solar financing capability and its standing 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	920.5	1463.9
Gross Profit	65.0	99.2	149.5	249.3	363.2
EBITDA	35.9	62.5	96.2	150.1	205.2
Depreciation & Amortisation	-4.1	-7.4	-12.5	-16.6	-21.8
EBIT	31.8	55.1	83.7	133.5	183.4
Net Finance Income/ (Cost)	-4.1	-7.9	-12.1	-21.8	-17.8
Associates & JV	0.0	0.0	2.6	6.9	8.1
Pre-tax Profit	27.7	47.2	74.2	118.6	173.7
Tax	-7.5	-13.1	-20.8	-30.8	-45.2
Profit After Tax	20.2	34.1	53.3	87.8	128.6
Minority Interest	0.5	1.4	1.4	1.4	1.5
Net Profit	19.7	32.6	51.9	86.4	127.1
Exceptionals	3.8	-2.4	-5.2	0.0	0.0
Core Net Profit	15.9	35.1	57.1	86.4	127.1

Key Ratios

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
EPS (sen)	2.2	4.8	7.8	11.9	17.4
P/E(x)	145.5	65.9	40.4	26.7	18.2
P/B(x)	11.7	9.8	6.4	5.1	4.0
EV/EBITDA(x)	63.6	36.1	22.1	13.8	10.5
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%	16.3%	14.0%
EBIT margin (%)	8.7%	11.1%	15.6%	14.5%	12.5%
PBT margin (%)	7.6%	9.5%	13.8%	12.9%	11.9%
PAT margin (%)	5.5%	6.9%	9.9%	9.5%	8.8%
NP margin (%)	5.4%	6.6%	9.7%	9.4%	8.7%
CNP margin (%)	4.3%	7.1%	10.6%	9.4%	8.7%
ROE (%)	8.0%	14.9%	15.7%	19.2%	21.9%
ROA (%)	3.3%	6.7%	5.5%	7.0%	8.5%
Gearing (%)	53.1%	73.7%	88.9%	87.9%	55.7%
Net gearing (%)	16.4%	25.7%	50.8%	55.1%	29.4%

Valuations	Equity Value (RM' m)	Valuation method
EPCC	2557.20	30x FY27F PER
Associates	69.00	10x FY27F PER
Solar assets	598.76	Ke=9.6%
Proceeds from warrants/ ESOS	67.58	
SOP Value	3292.55	
Enlarged share base (m share)	927.68	
Fair Value (RM)	3.55	
ESG premium/ discount	0.0%	
Implied Fair Value (RM)	3.55	

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	147.7	152.3
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	291.0	366.2
Total Current Assets	300.1	296.9	679.3	811.7	971.0
Fixed Assets	168.6	215.7	246.3	315.0	414.4
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	522.8
Short-term debt	17.3	9.5	141.9	198.0	161.4
Payables	108.2	67.1	202.2	201.4	330.2
Other current liabilities	39.4	28.3	124.6	167.7	243.0
Total Current Liabilities	165.0	105.0	468.7	567.1	734.6
Long-term debt	87.5	163.8	180.5	198.0	161.4
Other non-current liabilities	24.4	16.5	18.7	18.7	18.7
Total Non-Current Liabilities	111.9	180.3	199.2	216.7	180.1
Shareholder's equity	193.3	230.8	357.4	443.8	570.9
Minority interest	4.1	4.4	5.4	6.8	8.3
Total Equity	197.4	235.2	362.8	450.6	579.2

Cash Flow

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
Pre-tax profit	27.7	47.2	74.2	118.6	173.7
Depreciation & amortisation	4.1	7.4	12.5	16.6	21.8
Change in working capital	27.2	-17.8	-181.8	-83.2	48.7
Others	-2.5	-6.0	-19.1	-30.8	-45.2
Operating cash flow	56.5	30.8	-114.2	21.2	199.1
Capex	-137.0	-53.3	-50.2	-85.2	-121.3
Others	0.1	-8.0	-21.3	0.0	0.0
Investing cash flow	-136.9	-61.3	-71.5	-85.2	-121.3
Dividends paid	0.0	0.0	0.0	0.0	0.0
Others	89.3	54.3	212.8	73.6	-73.2
Financing cash flow	89.3	54.3	212.8	73.6	-73.2
Net cash flow	8.9	23.8	27.1	9.6	4.6
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	97.5
Ending cash	36.9	60.8	87.8	97.5	102.1

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Committed to achieving net-zero GHG emissions by 2050, with an interim target of 45% reduction by 2030.
Waste & Effluent	★★★	Compliance with regulatory requirements for scheduled waste and industrial effluent management.
Energy	★★★	Focus on minimising carbon footprint, improving efficiency and adopting circular economy principles.
Water	★★★	Compliance with all water-related environmental standards maintained.
Compliance	★★★	The Group complies with all local and international environmental regulations.

Social

Diversity	★★★	Female representation stands at 22% in the workforce and 43% at the management level, meeting the MCGG'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 664 hours of training has been conducted. No fatalities, with a reduction in the Lost Time Incident Rate to 0.3.
Labour Practices	★★★	Adheres to all relevant labor laws.

Governance

CSR Strategy	★★★	Actively engaged with communities, contributing RM85,960 to various initiatives.
Management	★★★	Among the board members, 43% (3 out of 7) were female, while 57% (4 out of 7) 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.