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<b>Recommendation:</b>	<b>BUY</b>
Current Price:	RM 3.13
Previous Target Price:	RM 3.55
Target Price:	↔ RM 3.55
Capital Upside/ Downside:	13.4%
Dividend Yield (%):	0.0%
<b>Total Upside/ Downside</b>	<b>13.4%</b>

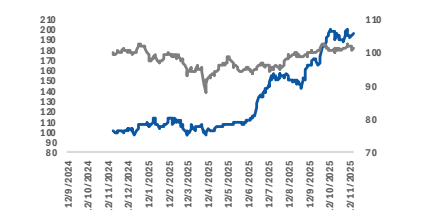
**Stock information**

Board	MAIN
Sector	Renewable Energy
Bursa / Bloomberg Code	0215 / SOLARMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	938.8
Market Cap (RM' m)	2,938.4
52-Week Price Range (RM)	3.25-1.52
Beta (x)	1.0
Free float (%)	49.8
3M Average Volume (m)	3.7
3M Average Value (RM' m)	10.5

**Top 3 Shareholders**

(%)

Atlantic Blue Holdings Sdn Bhd	18.2
Urusharta Jamaah Sdn Bhd	6.4
Lim Chin Siu	6.3

**Share Price Performance**

	1M	3M	12M
Absolute (%)	-0.6	29.9	95.6
Relative (%)	-1.7	27.2	93.0

<b>Earnings Summary</b>	<b>FY25</b>	<b>FY26F</b>	<b>FY27F</b>
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)	39.9	26.4	17.9

# Solarvest Holdings Berhad

## Within Expectations

- **SLVEST's 2QFY26 CNP of RM20.3m (+20.0% QoQ, +125.1% YoY) came in within expectations, bringing 6MFY26 CNP to RM37.2m (43% of our forecast; 49% of consensus). We deem the results broadly in line as we expect a stronger 2HFY26 driven by higher billings from CGPP EPCC works.**
- **Near-term order book replenishment will likely be supported by LSS5+, as EPCC contracts are typically awarded six to nine months after financial close. YTD, SLVEST has secured c.27% market share in LSS5 and 24% in LSS5+.**
- **Maintain a BUY recommendation with an unchanged TP of RM3.55, based on a SOP valuation and a three-star ESG rating.**

**Within expectations.** After adjusting for forex losses (+RM1.5m), SLVEST's 2QFY26 core net profit (CNP) is estimated at RM20.3m, bringing 6MFY26 CNP to RM37.2m. This represents 43% of our full-year forecast and 49% of consensus. While the results came in below our expectations, we deem them broadly within range as we anticipate a stronger 2HFY26, driven by higher billings from CGPP EPCC works and the commencement of LSS5 project.

**QoQ.** CNP increased by 20.0%, primarily driven by CGPP EPCC jobs progressing into accelerated revenue-recognition phases, in line with the EPCC segment's revenue growth of +4.7%. We also note that segmental PBT margins expanded by 2.3%-pts to 12.8%, which we attribute to favourable FX movements (average USD/MYR of 4.31 in 2QFY26 vs 4.33 in 1QFY26, representing ~1% appreciation of the MYR) that lowered imported solar panel and inverter costs, as well as a more favourable product mix supported by front-loaded C&I demand under the SELCO programme ahead of mandatory BESS after December 2025. Meanwhile, the "Others" segment continued to register an LBT of RM0.7m due to softer environmental commodities trading.

**YoY.** CNP surged by 125.1%, driven by (i) stronger progress on ongoing CGPP projects, compared to 2QFY25 when most LSS4 projects were approaching the tail end with thinner margins; (ii) higher contributions from associates and joint ventures, supported by incremental contributions from acquisitions of SIW and KMESB; and (iii) stronger power generation income from LSS4 plants and Powervest solar assets, which have ramped up to more stable operating levels. In addition, favourable FX movements helped lower imported panel and inverter costs, further lifting margins. As a result, core margin improved by 3.3%-pts to 12.0%.

**Outlook.** We expect SLVEST to continue delivering robust results in the coming quarters, supported by the accelerated execution of its CGPP projects and the LSS5 pipeline, which is scheduled to achieve COD between end-2027 and 2028. Near-term order book replenishment will likely come from LSS5+, as EPCC contracts are typically awarded six to nine months after financial close. We remain confident that SLVEST will sustain its strong position in the LSS segment, underpinned by its 27% market share in LSS5, 24% in LSS5+, and its solid balance sheet. Recent project wins of about 100MW in East Malaysia further strengthen its regional presence and align with Sarawak's targets to expand renewable energy capacity to 10GW by 2030 and 15GW by 2035, up from 5.8GW currently. We believe this win provides a strong reference point that will enhance SLVEST's tender competitiveness and support higher win rates across East Malaysia. Meanwhile, module prices have experienced short-term fluctuations following China's tightened energy-intensity controls, which affected production schedules across parts of the supply chain. Nevertheless, we expect the impact on fixed-cost EPCC arrangements to remain manageable, supported by ongoing industry consolidation and the weakening USD, with panel prices holding at around USD0.09/W.

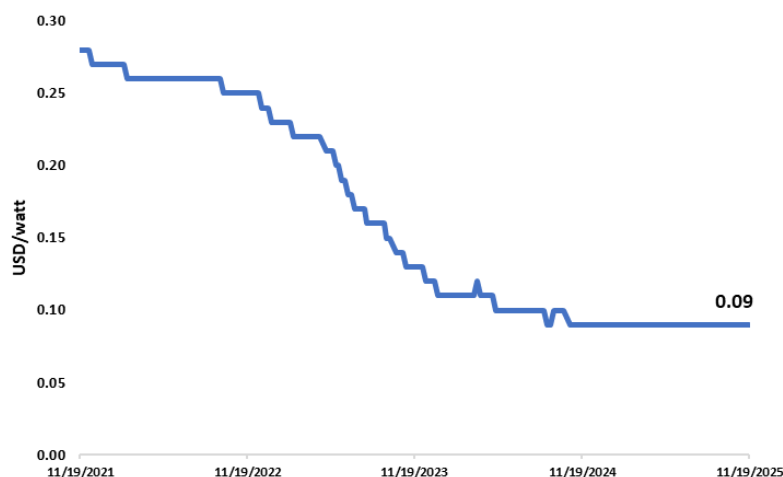
**Order book.** As of 30 Sept 2025, SLVEST's unbilled order book stood at RM1.3bn (83% utility; 17% C&I and residential), equivalent to 2.5x its FY25 revenue.

**Earnings revision.** No change to our earnings forecasts.

**Valuation.** Maintain a **BUY** rating on **SLVEST** with an unchanged **TP** of **RM3.55**, 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.

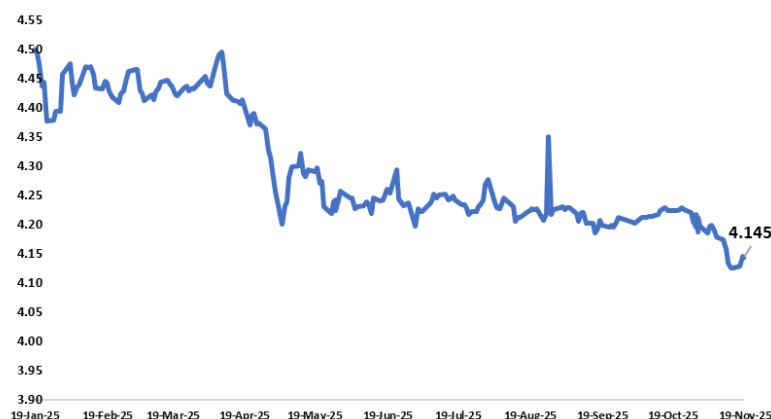
**Risks.** Increase in solar module costs. Heavy reliance on government initiatives. Intense market competition.

**Figure 1: Solar Module Price Trend**



Source: Bloomberg, Apex Securities

**Figure 2: YTD USD/MYR Trend**



Source: Bloomberg, Apex Securities

# Results Note

Thursday, 20 Nov, 2025

## Results Comparison

FYE Mar (RM m)	2QFY26	2QFY25	yoy (%)	1QFY26	qoq (%)	6MFY26	6MFY25	yoy (%)	Comments
Revenue	169.5	103.9	63.1	137.7	23.0	307.2	176.6	74.0	
COGS	(121.5)	(72.4)	67.8	(97.3)	24.9	(218.8)	(121.3)	80.3	
Grossprofit	48.0	31.5	52.3	40.5	18.6	88.4	55.2	60.1	
<b>EBITDA</b>	<b>35.4</b>	<b>20.1</b>	<b>75.9</b>	<b>28.5</b>	<b>24.3</b>	<b>63.8</b>	<b>36.3</b>	<b>75.7</b>	
Depreciation & Amortisation	(6.8)	(3.0)	127.6	(3.6)	92.0	(10.4)	(5.9)	77.4	
<b>EBIT</b>	<b>28.5</b>	<b>17.1</b>	<b>66.8</b>	<b>24.9</b>	<b>14.6</b>	<b>53.4</b>	<b>30.5</b>	<b>75.4</b>	
Net interest	(2.4)	(2.2)	6.6	(3.5)	(31.7)	(5.9)	(4.3)	37.2	
Associates/ JV	0.7	0.1	990.0	0.7	(3.3)	1.3	0.0	7,723.5	
<b>Pre-tax profit</b>	<b>26.8</b>	<b>14.9</b>	<b>79.6</b>	<b>22.1</b>	<b>21.4</b>	<b>48.9</b>	<b>26.2</b>	<b>86.6</b>	
Tax expenses	(7.4)	(5.5)	35.8	(5.8)	27.6	(13.3)	(8.4)	58.0	
<b>Profit after tax</b>	<b>19.4</b>	<b>9.5</b>	<b>104.8</b>	<b>16.3</b>	<b>19.2</b>	<b>35.6</b>	<b>17.8</b>	<b>100.0</b>	
(-) Minority interest	0.6	0.3	144.7	0.4	71.4	1.0	0.7	47.8	
<b>PAT (-MI)</b>	<b>18.7</b>	<b>9.2</b>	<b>103.7</b>	<b>15.9</b>	<b>18.0</b>	<b>34.6</b>	<b>17.1</b>	<b>102.2</b>	driven by accelerated progress on CGPP
<b>Core net profit</b>	<b>20.3</b>	<b>9.0</b>	<b>125.1</b>	<b>16.9</b>	<b>20.0</b>	<b>37.2</b>	<b>17.1</b>	<b>117.1</b>	project.s.
Core EPS (sen)	2.3	1.3		2.0		4.3	2.5		
DPS (sen)	-	-		-		-	-		
EBITDA margin (%)	20.9	19.4		20.7		20.8	20.6		
PBT margin (%)	15.8	14.4		16.0		15.9	14.8		
Effective tax rate (%)	27.7	36.6		26.4		27.1	32.0		
Core PATMI margin (%)	12.0	8.7		12.3		12.1	9.7		

Source: Company, Apex Securities

## Segmental Breakdown

FYE Mar (RM m)	2QFY26	2QFY25	yoy (%)	1QFY26	qoq (%)	6MFY26	6MFY25	yoy (%)	Comments
<b>Revenue Breakdown</b>									
EPCC	194.8	114.1	70.7	186.0	4.7	380.9	185.8	105.0	
O&M	3.6	4.4	(19.5)	3.9	(9.7)	7.5	6.9	9.1	
Power Supply	8.0	7.0	14.7	7.6	5.2	15.7	13.6	15.6	
Others	8.9	5.2	73.0	2.6	237.8	11.6	9.8	18.8	
Adjustment	(45.9)	(26.8)	71.1	(62.5)	(26.6)	(108.4)	(39.4)	175.2	
<b>Total</b>	<b>169.5</b>	<b>103.9</b>	<b>63.1</b>	<b>137.7</b>	<b>23.0</b>	<b>307.2</b>	<b>176.6</b>	<b>74.0</b>	
<b>Profit Before Tax (PBT) Breakdown</b>									
EPCC	25.0	13.2	88.9	19.5	28.0	44.6	21.7	104.9	higher billing volume and margin
O&M	0.2	0.5	(53.7)	0.9	(74.7)	1.1	1.0	14.0	expansion from CGPP project mix.
Power Supply	3.3	2.0	69.6	3.0	10.2	6.4	4.3	49.0	
Others	(0.7)	(1.5)	(52.6)	(0.9)	(20.2)	(1.6)	(0.8)	92.3	
Adjustment	(1.1)	0.7	nm	(0.5)	105.7	(1.6)	-	nm	
<b>Total</b>	<b>26.8</b>	<b>14.9</b>	<b>79.6</b>	<b>22.1</b>	<b>21.4</b>	<b>48.9</b>	<b>26.2</b>	<b>86.6</b>	
<b>PBT margin (%)</b>									
EPCC	12.8%	11.6%		10.5%		11.7%	11.7%		
O&M	6.4%	11.0%		22.8%		15.0%	14.4%		
Power Supply	41.6%	28.1%		39.7%		40.7%	31.6%		
Others	-7.8%	-28.5%		-33.0%		-13.6%	-8.4%		
Adjustment									
<b>Total</b>	<b>15.8%</b>	<b>14.4%</b>		<b>16.0%</b>		<b>15.9%</b>	<b>14.8%</b>		

Source: Company, Apex Securities

# Results Note

Thursday, 20 Nov, 2025

## Financial Highlights

### Income Statement

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
<b>Revenue</b>	<b>365.5</b>	<b>497.0</b>	<b>536.8</b>	<b>920.5</b>	<b>1463.9</b>
<b>Gross Profit</b>	<b>65.0</b>	<b>99.2</b>	<b>149.5</b>	<b>249.3</b>	<b>363.2</b>
<b>EBITDA</b>	<b>35.9</b>	<b>62.5</b>	<b>96.2</b>	<b>150.1</b>	<b>205.2</b>
Depreciation & Amortisation	-4.1	-7.4	-12.5	-16.6	-21.8
<b>EBIT</b>	<b>31.8</b>	<b>55.1</b>	<b>83.7</b>	<b>133.5</b>	<b>183.4</b>
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
<b>Pre-tax Profit</b>	<b>27.7</b>	<b>47.2</b>	<b>74.2</b>	<b>118.6</b>	<b>173.7</b>
Tax	-7.5	-13.1	-20.8	-30.8	-45.2
<b>Profit After Tax</b>	<b>20.2</b>	<b>34.1</b>	<b>53.3</b>	<b>87.8</b>	<b>128.6</b>
Minority Interest	0.5	1.4	1.4	1.4	1.5
<b>Net Profit</b>	<b>19.7</b>	<b>32.6</b>	<b>51.9</b>	<b>86.4</b>	<b>127.1</b>
Exceptionals	3.8	-2.4	-5.2	0.0	0.0
<b>Core Net Profit</b>	<b>15.9</b>	<b>35.1</b>	<b>57.1</b>	<b>86.4</b>	<b>127.1</b>

### 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)	143.6	65.0	39.9	26.4	17.9
P/B(x)	11.5	9.7	6.3	5.1	3.9
EV/EBITDA(x)	62.8	35.6	21.8	13.6	10.3
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 warrant s/ ESOS	67.58	
SOP Value	3292.55	
Enlarged share base (m share)	927.68	
<b>Fair Value (RM)</b>	<b>3.55</b>	
ESG premium/ discount	0.0%	
<b>Implied Fair Value (RM)</b>	<b>3.55</b>	

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
<b>Total Current Assets</b>	<b>300.1</b>	<b>296.9</b>	<b>679.3</b>	<b>811.7</b>	<b>971.0</b>
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
<b>Total Non-Current Assets</b>	<b>174.2</b>	<b>223.5</b>	<b>351.4</b>	<b>422.7</b>	<b>522.8</b>
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
<b>Total Current Liabilities</b>	<b>165.0</b>	<b>105.0</b>	<b>468.7</b>	<b>567.1</b>	<b>734.6</b>
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
<b>Total Non-Current Liabilities</b>	<b>111.9</b>	<b>180.3</b>	<b>199.2</b>	<b>216.7</b>	<b>180.1</b>
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
<b>Total Equity</b>	<b>197.4</b>	<b>235.2</b>	<b>362.8</b>	<b>450.6</b>	<b>579.2</b>

### Cash Flow

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

# Results Note

Thursday, 20 Nov, 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 <sup>3</sup> in the previous year to 0.0036m <sup>3</sup> .
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.