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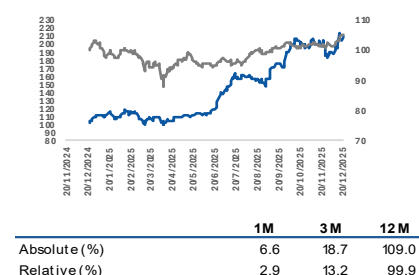
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Recommendation:	BUY
Current Price:	RM 3.24
Previous Target Price:	RM 3.55
Target Price:	RM 3.57
Capital Upside/Downside:	10.2%
Dividend Yield (%):	0.0%
Total Upside/Downside	10.2%

Stock information	
Board	MAIN
Sector	Renewable Energy
Bursa / Bloomberg Code	0215 / SOLARMK
Syariah Compliant	Yes
ESG Rating	***
Shares issued (m)	940.7
Market Cap (RM' m)	3,047.8
52-Week Price Range (RM)	3.32-1.52
Beta (x)	1.0
Free float (%)	50.4
3M Average Volume (m)	3.8
3M Average Value (RM' m)	11.5

Top 3 Shareholders	(%)
Atlantic Blue Holdings Sdn Bhd	17.9
Urusharta Jamaah Sdn Bhd	6.6
Lim Chin Siu	6.2

Share Price Performance



Earnings Summary	FY25	FY26F	FY27F
Revenue (RM'm)	536.8	920.5	1463.9
PATAMI (RM'm)	51.9	86.7	128.0
CNP (RM'm)	57.1	86.7	128.0
EPS - core (sen)	7.8	11.9	17.6
P/E(x)	41.3	27.2	18.4

Solarvest Holdings Berhad

Acquires 22% Stake in SDCG

- **SLVEST has acquired a 22.0% stake in Solar District Cooling Group Berhad (SDCG) for RM42.0m, via a direct business transaction.**
- **The acquisition implies a PE valuation of c.36.6x, which we view as fair. While the implied multiple is high, SDCG's share price has not traded below RM0.45 since listing, suggesting strong market confidence in its growth prospects and long-term outlook.**
- **Maintain BUY with a revised target price of RM3.57, based on a sum-of-parts (SOP) valuation and supported by a three-star ESG rating.**

RM42m for 22% stake in SDCG. SLVEST entered into a Share Sale Agreement (SSA) to acquire a 22.0% equity stake in Solar District Cooling Group Berhad (SDCG) for a cash consideration of RM42.0m, equivalent to RM0.45/share. SDCG, an ACE Market-listed company, is principally involved in the provision and maintenance of building management systems (BMS), solar thermal systems, and energy-saving and mechanical and electrical services. The acquisition was completed on 23 Dec 2025 and funded entirely via internally generated funds. Following the acquisition, SLVEST becomes a substantial shareholder of SDCG, which will be accounted for as an associate.

Table 1: Historical Financial Performance and Valuation of SDCG

FYE Dec (RM'm)	FY22	FY23	FY24	9MFY25
Revenue	18.6	26.6	25.3	18.2
Gross profit	10.7	14.4	14.0	9.8
PBT	6.5	8.7	5.9	4.6
PAT	5.2	6.3	4.3	3.9
GP Margin	57.3%	53.9%	55.1%	54.0%
PAT Margin	27.9%	23.8%	16.9%	21.5%
P/E (x)	36.7	30.1	44.5	36.6x*

*Based on annualised 9MFY25 PAT of RM5.2m and implied equity value of RM191m

Source: Company, Apex Securities

Our Take. Based on SDCG's annualised 9MFY25 PAT of RM5.2m, SLVEST's acquisition of a 22.0% stake implies a P/E valuation of c.36.6x, which we view as **fair**. While the implied P/E is high, SDCG's share price has not traded below RM0.45 since listing, suggesting market confidence in its growth prospects and long-term outlook. In addition, the purchase consideration represents a 22.4% discount to the five-day VWAP. Strategically, the acquisition supports technology integration and customer mapping, which is expected to enhance cross-selling opportunities and deepen engagement with existing and new customers. The investment also benefits from BMS-driven recurring and project-based income, including government and data centre-related projects, which supports medium-term earnings visibility.

Earnings revision. We have raised our FY25F/FY26F earnings forecasts by 0.2%/0.5%, respectively, to reflect the equity-accounted contribution from the 22% associate stake, assuming gradual earnings growth over FY25F-FY26F.

Valuation. Maintain a **BUY** rating on SLVEST with a revised TP of **RM3.57** (from RM3.55), after factoring in the 22% stake in SDCG, based on a SOP valuation and supported by 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	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	7.3	9.3
Pre-tax Profit	27.7	47.2	74.2	119.0	175.0
Tax	-7.5	-13.1	-20.8	-30.9	-45.5
Profit After Tax	20.2	34.1	53.3	88.1	129.5
Minority Interest	0.5	1.4	1.4	1.4	1.5
Net Profit	19.7	32.6	51.9	86.7	128.0
Exceptionals	3.8	-2.4	-5.2	0.0	0.0
Core Net Profit	15.9	35.1	57.1	86.7	128.0

Key Ratios

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
EPS (sen)	2.2	4.8	7.8	11.9	17.6
P/E(x)	148.7	67.3	41.3	27.2	18.4
P/B(x)	12.0	10.0	6.5	5.2	4.1
EV/EBITDA(x)	65.0	36.9	22.7	14.1	10.7
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%	12.0%
PAT margin (%)	5.5%	6.9%	9.9%	9.6%	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%	22.1%
ROA (%)	3.3%	6.7%	5.5%	7.0%	8.6%
Gearing (%)	53.1%	73.7%	88.9%	87.8%	55.6%
Net gearing (%)	16.4%	25.7%	50.8%	55.0%	29.2%

Valuations	Equity Value (RM' m)	Valuation method
EPCC	2550.27	30x FY27F PER
Associates	86.39	10x FY27F PER
Solar assets	598.76	Ke=9.6%
Proceeds from warrants/ ESOS	67.58	
SOP Value	3303.01	
Enlarged share base (m share)	927.68	
Fair Value (RM)	3.57	
ESG premium/ discount	0.0%	
Implied Fair Value (RM)	3.57	

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	148.0	153.5
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	812.0	972.2
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	444.1	572.1
Minority interest	4.1	4.4	5.4	6.8	8.3
Total Equity	197.4	235.2	362.8	450.9	580.4

Cash Flow

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
Pre-tax profit	27.7	47.2	74.2	119.0	175.0
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	-30.9	-45.5
Operating cash flow	56.5	30.8	-114.2	21.5	200.0
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	9.9	5.5
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	97.8
Ending cash	36.9	60.8	87.8	97.8	103.3

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.