Research Team

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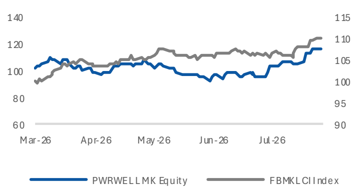
Recommendation:	BUY
Current Price:	RM 0.86
Previous Target Price:	-
Target Price:	RM 1.10
Capital Upside/Downside:	27.9%
Dividend Yield (%):	1.7%
Total Upside/Downside:	**29.7%**

Stock information	
Board	ACE
Sector	Technology
Bursa / Bloomberg Code	0217 / PWRWELL MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	580.6
Market Cap (RM' m)	499.3
52-Week Price Range (RM)	0.895-0.505
Beta (x)	0.9
Free float (%)	87.1
3M Average Volume (m)	3.3
3M Average Value (RM' m)	2.6

Top 3 Shareholders	(%)
Wong Yen Yoke	4.8
Tham Wai Kien	3.9
Norges Bank	2.9

Share Price Performance



	1M	3M	12M
Absolute (%)	6.8	22.9	56.4
Relative (%)	3.8	23.3	39.0

Earnings summary

FYE (Dec)	FY25A	FY26F	FY27F
Revenue (RM'm)	137.5	159.0	276.0
PATAMI (RM'm)	18.8	24.1	43.7
CNP (RM'm)	18.8	24.1	43.7
EPS - core (sen)	3.2	4.1	6.3
P/E (x)	13.2	14.0	12.7

Source: Company, Apex Securities

POWERWELL HOLDINGS BERHAD

Powering the AI Infrastructure Revolution

Executive Summary

- **Malaysia's data centre capacity is set to nearly triple by 2030 (~4.5GW to ~12.9GW), implying a RM128–162bil addressable M&E market where PWRWELL, the only Malaysian manufacturer licensed across both Siemens LV and MV ranges, already captures this directly, with data centres at 35% of its RM150.8m order book and 73% of its RM410m tender pipeline.**
- **We forecast a 2-year c.45.7% CNP CAGR through FY27F-Y28F, underpinned by expanded manufacturing capacity, doubled production in Indonesia from August 2026 and ongoing automation in Malaysia, strengthening execution capacity and operating leverage.**
- **The Tenaga Kenari acquisition offers more than just an initial ~4.5%/3.8% uplift to Group CNP in FY27F/FY28F, it also hands PWRWELL its first East Malaysia manufacturing base and an established Sarawak Energy Berhad relationship.**
- **Initiate BUY, TP RM1.10 (+29.7% upside). Our TP applies 16.2x FY27F–28F blended EPS of 6.8sen, a +0.5SD premium to PWRWELL's 3-year average P/E of 14.7x.**

Key Investment Highlights

Structural Beneficiary of Malaysia's AI and Data Centre Investment Supercycle. Malaysia's data centre capacity is projected to expand from ~4.5GW to ~12.9GW by 2030, implying a RM128–162bil addressable M&E market. PWRWELL's well established LV/MV distribution position captures this demand directly, with data centres making up 35% of its RM150.8m order book and 73% of its RM410m tender pipeline, including its largest-ever contract win of RM158.8m, underscoring improving execution capability and earnings visibility.

Capacity Expansion Underpins the Next Leg of Growth. We forecast CNP to nearly double to RM43.7m in FY27F (+81.7% YoY) and reach RM51.1m in FY28F (+16.9% YoY), as the Indonesian facility's doubled output capacity (from August 2026) and ongoing process automation initiatives let the Group scale into larger, higher-value projects.

Tenaga Kenari Acquisition Broadens Regional Reach. The Tenaga Kenari acquisition is not just about delivering a profit-guaranteed of RM4.0m p.a. combined PAT, an initial ~4.5%/3.8% uplift to Group CNP in FY27F/FY28F, it also gives PWRWELL its first East Malaysia manufacturing presence and an established Sarawak Energy Berhad relationship, positioning the Group to participate in Sarawak's data centre and renewable energy build-out.

Valuation & Recommendation. We initiate coverage on PWRWELL with a BUY recommendation and a target price of RM1.10, derived by applying a 16.2x P/E multiple to our FY27F-FY28F blended core EPS of 6.8sen, and supported by a three-star ESG rating.

Risks. Slowdown in project awards, slower AI infrastructure investments, delays in hyperscale developments, electricity supply constraints or regulatory changes affecting data centre developments.

Company Background

PWRWELL Holdings Berhad is a Shah Alam-headquartered designer, manufacturer and trader of electricity distribution products, with 25 years of operating history through its operating subsidiary Kejuruteraan PWRWELL Sdn Bhd. The Group's core product range spans low-voltage (LV) main, sub and distribution switchboards, LV motor control centres and busbar trunking systems, medium-voltage (MV) switchgear, and fire-suppression systems (added via the FY26 acquisition of a fire-suppression subsidiary). PWRWELL is a Siemens AG technology partner licensee, manufacturing and marketing SIVACON S8 LV switchboard and SIMOPRIME MV switchgear under licence, and separately supplies localised NXPLUS C gas-insulated switchgear for voltages above 33kV, the technology partnerships that lend credibility with sophisticated end-clients such as data centre operators and utilities.

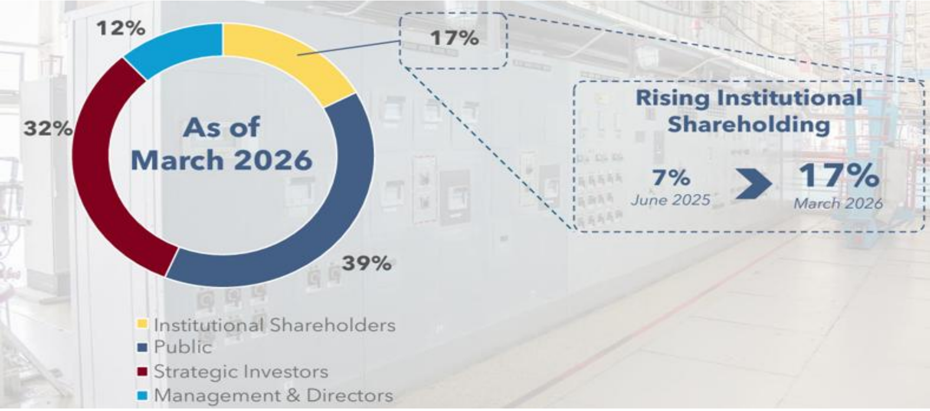
The Group listed on the ACE Market of Bursa Malaysia in 2020 and has remained in a net cash position in every financial year since. PWRWELL's principal markets are Malaysia, Indonesia and Bangladesh, with Malaysia contributing approximately 86% of FY26 revenue, Indonesia approximately 11%, and Bangladesh (a new market entered in FY26) approximately 3%. The Group's Indonesian operations, based in Serpong, Tangerang, are being expanded with a larger leased facility (+188% production floor space) expected to be operational from August 2026, funded by a modest RM300k capex outlay.

On 1 April 2026, PWRWELL completed the acquisition of 49.0% equity interests in Tenaga Kenari Sdn Bhd ("TKSB") and Tenaga Kenari Marketing Sdn Bhd ("TKMSB"), two related Kuching, Sarawak-based switchboard manufacturers and distributors with a combined operating history exceeding 30 years and an established supply relationship with Sarawak Energy Berhad. The combined cash consideration was RM16.66m (RM12.5m for TKSB and RM4.17m for TKMSB), implying a 100% valuation of approximately RM34.0m, or 8.5x the RM4.0m per annum average profit guarantee provided by the vendors. Although PWRWELL holds only a 49% economic interest, it secured majority board representation (3 of 5 directors at each entity) under the shareholders' agreements, and both entities are therefore consolidated as subsidiaries for accounting purposes.

On the other hand, PWRWELL has seen a meaningful broadening of its institutional shareholder base, with institutional ownership increasing from 7% in June 2025 to 17% in March 2026. As of May 2026, institutional shareholding remained elevated at 16%, more than double the level recorded in June 2025, 40% public shareholders, 32% strategic investors and 12% management and directors.

We view the sustained increase as an encouraging indication of growing institutional awareness and acceptance of PWRWELL's investment proposition. This may be supported by the Group's improving earnings profile, record FY26 CNP, healthy net-cash balance sheet and exposure to structural growth segments such as data centres, infrastructure and regional expansion.

Figure 1: Shareholding Mix As Of March 2026



Source: Company, Apex Securities

Business Model

Core Business: Project Based LV/MV Switchboard Manufacturing

PWRWELL generates revenue as a specification driven, project-based manufacturer of low voltage (LV) switchboards and medium voltage (MV) switchgears, a segment that still accounts for approximately 92% of FY26 group revenue. Revenue is made across three layers on each project: the design and in house manufacturing of the switchboards and switchgears themselves; the trading of related electrical products such as busbar trunking systems, distribution transformers, and DC power supply systems, which vary with customer demand; and installation and commissioning services, fulfilled through Malaysian subcontractors domestically and through appointed overseas distributors, who act as both sales agents and installation partners in their respective regions. Manufacturing is based across Shah Alam and Johor Bahru in Peninsular Malaysia, supported by an Indonesian assembly plant currently being expanded, with revenue substantially derived from large scale projects across data centres, infrastructure, commercial developments, and industrial facilities in Malaysia and select overseas markets.

Expansion into East Malaysia

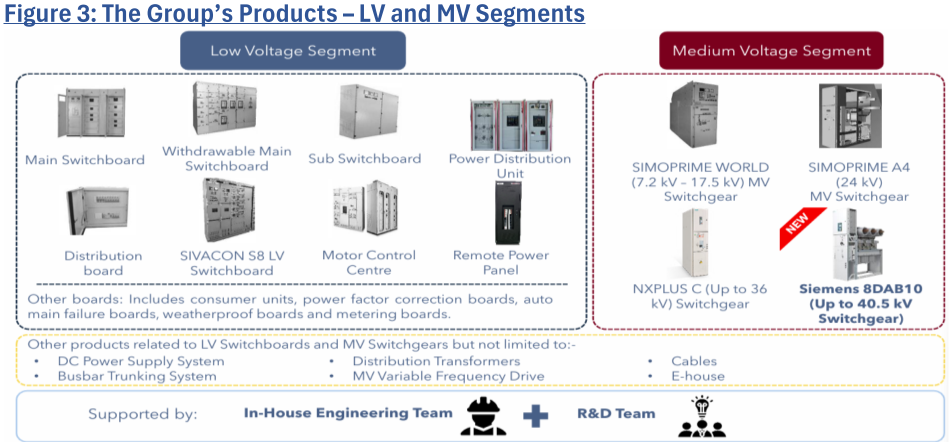
On 1 April 2026, the Group completed its first acquisition since listing, taking a 49.0% stake in Tenaga Kenari for RM16.7m cash, which it fully consolidates given effective management control. This transaction is best understood as a new earnings stream rather than incremental capacity: Tenaga Kenari brings over 30 years of switchboard manufacturing history in Sarawak and, critically, a recurring supply relationship with Sarawak Energy Berhad for standardised electrical enclosures, a revenue pattern that is structurally more predictable than PWRWELL's traditional project by project order book. The deal carries a three-year profit guarantee of RM12.0m cumulative PAT, implying an entry multiple of 8.5 times forward earnings, and management has framed it as the first execution of its stated fifth growth pillar, synergistic M&A, positioning East Malaysia as a genuine second earnings engine alongside the Peninsular Malaysia core.

Figure 2: The Group's Product Segments

Segments	Positioning
LV Switchboards	Largest revenue driver; main/sub-switchboards, distribution boards, mechanical control centres sold into data centre, infrastructure, industrial and residential projects across Malaysia, Indonesia and (from FY26) Bangladesh (refer to Figure 3)
MV Switchgears	Higher ASP and technical barrier; increasingly specified as data centre power demand per site rises (refer to Figure 3)
Fire-Suppression	New in FY26 (c.8% of revenue); positions PWRWELL as a one-stop electrical + fire-suppression provider (refer to Figure 4)
Tenaga Kenari (East Malaysia)	Consolidated from FY27F; extends PWRWELL into Sarawak via an existing Sarawak Energy Berhad relationship, tapping the state's data centre and renewable energy build-out (refer to Figure 5)

Source: Company, Apex Securities

Figure 3: The Group's Products – LV and MV Segments



Source: Company, Apex Securities

Figure 4: Fire Suppression Related Products

Source: Company, Apex Securities

Figure 5: Some of Tenaga Kenari's Customers & Selected Project Reference

Source: Company, Apex Securities

Management & Board Profile

PWRWELL is led by a seasoned management team with more than three decades of operating experience in the electrical power distribution industry, complemented by a board comprising executive leadership, independent directors and capital markets professionals. Following the management succession in November 2024, the Group has maintained operational continuity while accelerating its next phase of growth through geographical expansion, product diversification and manufacturing digitalisation. We view the successful execution of these initiatives, together with the delivery of record FY26 earnings as evidence of management's ability to scale the business while maintaining disciplined capital allocation and a conservative balance sheet.

The Board combines operational expertise with independent oversight and financial market experience. Independent Chairman Tang Yuen Kin provides governance oversight, while Managing Director Wong Yoke Yen oversees strategy and operations after more than three decades with the Group across finance, administration and commercial functions. Executive Director Soh Wei Wei complements the executive team, while the appointment of Chong Guang Wei in November 2024, a former institutional equity analyst, portfolio manager and corporate executive, adds valuable expertise in capital markets, corporate strategy and M&A as the Group enters a more expansionary phase.

Competitive Positioning

The only Malaysian manufacturer with full LV+MV Siemens licensing

PWRWELL sells under two tracks. Its own proprietary brand can be fully customised to each customer's requirements. Alongside this, PWRWELL is one of only three Siemens-licensed switchboard/switchgear manufacturers in Malaysia, and the only one licensed across both the LV (SIVACON S8) and MV (SIMOPRIME, NXPLUS C, 8DAB10) ranges, while the other two local Siemens licensees are single-range players (one LV-only, one MV-only). This makes PWRWELL the sole Malaysian manufacturer able to offer a full-spectrum LV+MV Siemens-certified solution under one roof, a meaningful edge in large, technically complex tenders such as data centres that require both voltage classes

Certification opens the door; execution wins the business

PWRWELL's certification stack, ASTA Full Type Test, IEC61439/IEC61641 arc-fault containment, and IEC60068/IEEE 693:2018 seismic testing sets a meaningful, though not insurmountable, barrier to entry that has kept out many smaller or newer players. ASTA is the most decisive of these for data centre qualification specifically: it typically takes 12–18 months and significant dedicated resources to secure, making it a genuine gating factor for new entrants targeting mission-critical work. What we view as harder to replicate, however, is PWRWELL's 40-year execution track record across more than 10 countries and diverse verticals including data centres, airports, MRT/LRT, oil & gas, renewable energy. Certification opens the door to a tender; it is this depth of delivery history that wins and retains the work behind it, and we see that combination rather than the certifications alone as PWRWELL's more durable competitive edge near-term.

We see this combination of technology/certification barriers that are difficult and slow to replicate, paired with a scalable, increasingly automated manufacturing base as the core of PWRWELL's moats, and the basis for it commanding premium project wins over less-certified, less-differentiated peers.

Industry Overview

A structural, multi-year capex cycle is underway.

NVIDIA projects global AI infrastructure investment will reach US$3–4 trillion by 2030 as hyperscalers, technology companies and sovereign AI initiatives race to build compute capacity. Every dollar of that capex eventually must pass through a switchboard — which is where PWRWELL sits. In the context of a data centre, the potential revenue per MW to PWRWELL would range between RM1.5m - RM2m, depending on the project complexity.

Malaysia is one of the biggest beneficiaries in the region

Local data centre capacity is set to nearly triple, from ~4.5GW today to ~12.9GW by 2030 where 8–9GW of fresh builds over the next five years, translating into an estimated RM128b–162b addressable market for Malaysia's M&E industry alone. This isn't a distant forecast for PWRWELL: it's already showing up in the order book. Data centre projects made up 35% of PWRWELL's RM150.8m order book and 73% of its ~RM410m tender pipeline as at March 2026, and the Group's single-largest contract win to date, a RM68.5m data centre project secured in January 2026 came directly from this pipeline.

Rising AI server power density means PWRWELL sells bigger, higher-value equipment per project

A home needs a modest distribution board to run lights and air-conditioners. A modern AI data centre is closer to thousands of high-powered factories running at once, and the power draw per rack has climbed accordingly: NVIDIA's own roadmap shows real server rack power consumption rising from ~7kW (DGX A100) to ~120–140kW (GB200/GB300 NVL72) and up to 600kW (Vera Rubin Ultra), a ~40-85x jump in less than a decade. Each step up forces an upgrade to larger switchboards, higher-capacity switchgear, more sophisticated protection systems and greater redundancy. For PWRWELL, this means the electrical distribution content per MW of data centre capacity and therefore average selling price per project should structurally rise alongside the industry's own power curve, not just track new GW built.

Multiple Growth Vectors

Order Book and Tender Pipeline

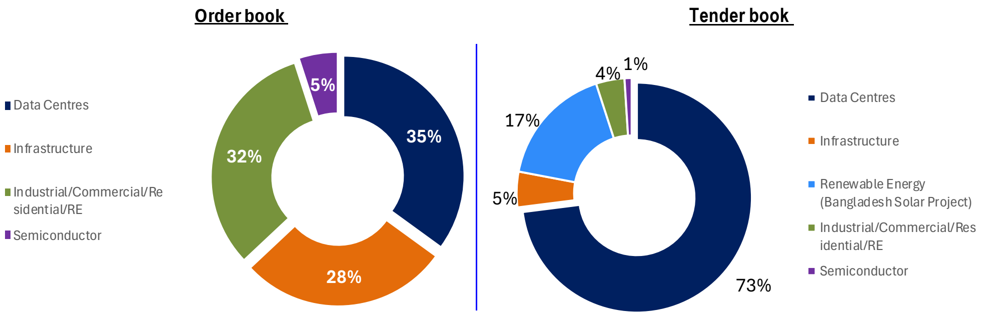
As at 31 March 2026, PWRWELL's order book stood at RM150.8m including data centres (35%) and industrial/commercial/residential/renewable energy (32%) the two largest categories, followed by infrastructure (28%) and semiconductor (5%). On the surface, this represents a book-to-bill ratio of only ~1x FY26 revenue (RM159.0m), which on its own looks unremarkable. We think this understates the Group's actual growth trajectory for three reasons.

First, capacity is being doubled just as this pipeline needs converting.
PWRWELL is expanding capacity ahead of demand. Indonesia's Serpong plant alone will add ~188% more floor space and double annual output to ~612 units by August 2026, complemented by a further manufacturing base via the newly consolidated Tenaga Kenari operations in Sarawak. At the same time, process automation, comprising semi-automated modular assembly targeting a 30% cut in assembly time, and MES-driven shopfloor digitalisation, lets PWRWELL absorb order growth without a proportionate rise in headcount or floor space, a cost-structure advantage over peers reliant on manual, labour-intensive fabrication

Second, the order book turns over quickly, allowing recurring revenue generation. Management guides that most projects are recognised within 3–9 months and generally completed within 12 months. As such, the reported RM150.8m order book represents a point-in-time snapshot rather than an annual revenue ceiling. The short execution cycle enables PWRWELL to recycle manufacturing capacity and replenish its order book several times within a financial year, making the headline 1.0x book-to-bill ratio less meaningful than for contractors with multi-year project execution.

Third, the tender pipeline is both larger and more concentrated in PWRWELL's highest-margin end-market. At c.RM410m, the rolling tender book is over 2.7x the reported order book and 73% weighted to data centres, versus 35% for the order book itself, pointing to a mix shift toward the segment we view as PWRWELL's most technically differentiated and highest margin. Even partial conversion of this pipeline would meaningfully extend revenue visibility beyond FY27F.

Figure 6: Order Book and Tender Book as at 4QFY2026



Source: Company, Apex Securities

Figure 7: The Group's Manufacturing Facilities & Offices

Source: Company, Apex Securities

Figure 8: Updates for Capacity Expansion in Indonesia

Source: Company, Apex Securities

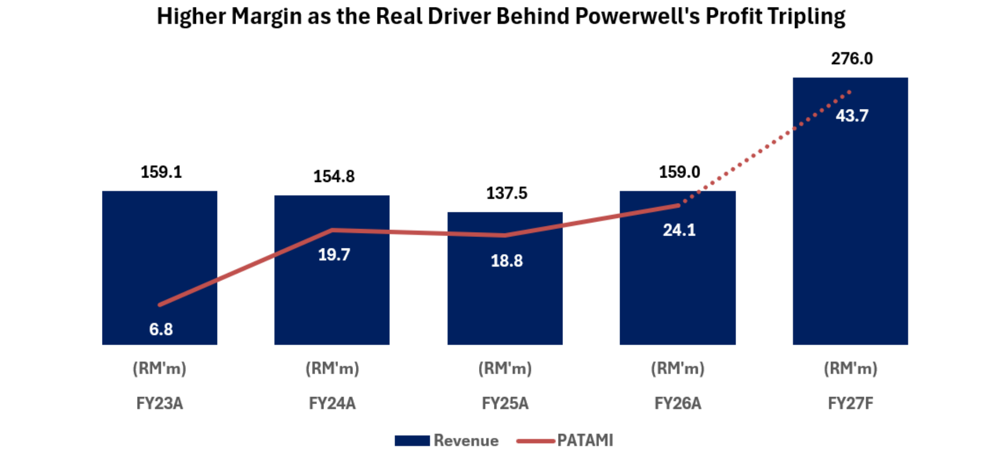
Financial Highlights

PWRWELL delivered a record FY26, with revenue of RM159.0m (+15.6% YoY) and CNP of RM24.1m (+28.2% YoY), the first time CNP has cleared the RM20m mark. Core EPS rose to 4.15sen from 3.23sen a year earlier. More tellingly, the FY26 print masks a clear quarter-on-quarter margin performance: GP margin expanded in each successive quarter, from 27.3% in 1QFY26 to 31.1% in 2QFY26, 34.8% in 3QFY26, and 39.9% in 4QFY26, a roughly 13ppt improvement from trough to peak within the same financial year.

CNP margin traced a similar, if less linear, path, easing slightly from 12.3% in 1QFY26 to 11.9% in 2QFY26 before climbing to 16.9% in 3QFY26 and 17.9% in 4QFY26. We view this progression as structural rather than one-off: it reflects steadily improving plant utilisation alongside a project mix increasingly weighted toward higher-value, technically demanding work, culminating in the favourable close-out of a data centre project and a hydro-plant project in 4QFY26.

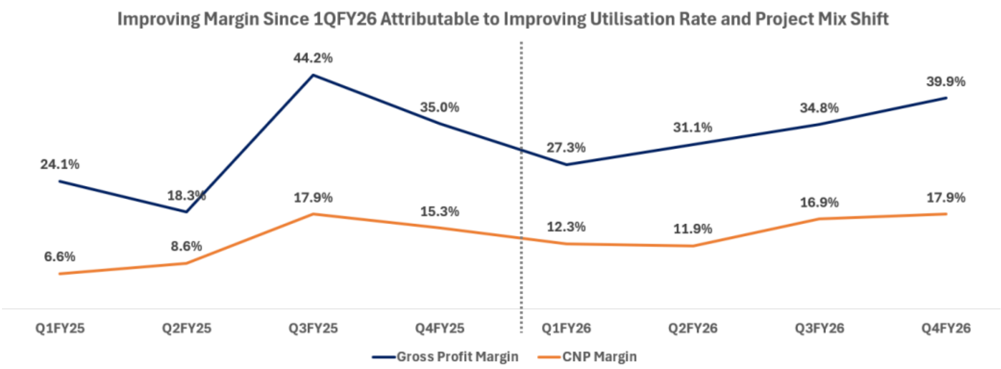
We expect this earnings momentum to extend into FY27–28F, underpinned by the healthy order book and tender pipeline discussed above, increased manufacturing capacity coming onstream from August 2026, and maiden contributions from Tenaga Kenari. Our forecasts conservatively hold gross margins broadly at FY26 levels, leaving scope for upside should the project mix continue tilting toward higher-value data centre and MV-switchgear work.

Figure 9: Financial Highlights (FY23A-FY27F)



Source: Company, Apex Securities

Figure 10: Gross Profit Margin and CNP Margin Performance (Q1FY25-Q4FY26)



Source: Company, Apex Securities

Capital Allocation & Balance Sheet.

PWRWELL has maintained a net cash position in every financial year since its 2020 listing, and FY26 was no exception: total equity rose to RM115.9m (FY25: RM97.5m) on cash and short-term funds of RM58.4m against total borrowings of just RM17.2m (mostly lease liabilities), even after funding the Tenaga Kenari acquisition (RM16.66m cash) and ongoing capacity expansion. The Group generated positive net operating cashflow of RM12.8m in FY26. This asset-light, cash-generative profile gives PWRWELL room to fund its Indonesia and Sarawak expansion internally, while still lifting the FY26 dividend to 1.5sen per share (payout ratio 36.1%, up from 31.0% in FY25), a signal of management's confidence in forward earnings visibility.

Bonus Issue of Warrants. On 23 July 2026, PWRWELL announced a proposed bonus issue of up to 116,110,400 free warrants on a 1-for-5 basis to shareholders, expected to complete by 4QCY26. The indicative exercise price of RM1.10 (a ~38.5% premium to the RM0.7945 5-day VWAP as at the announcement date) implies gross proceeds of up to RM127.7m if fully exercised over the warrants' 5-year tenure where proceeds earmarked for working capital (utilities, wages, and general administrative costs) rather than a specific project, giving management flexibility as order volumes scale. The Group's enlarged issued share capital would increase to 696.7m from 580.5m, and FY27F-FY28F EPS would be diluted 16.7%/16.7% to 6.3sen and 7.3sen in a fully diluted basis.

Earnings outlook – 45.7% Two-Year CNY CAGR

PWRWELL's core net profit is likely to grow at a CAGR of c.45.7% over FY27F–28F, from RM24.1m to RM51.1m, underpinned by four key drivers: (i) the Malaysia data centre MW pipeline, modelled bottom-up off physical capacity rather than a flat growth assumption; (ii) maiden consolidation of Tenaga Kenari from FY27F, adding a new Sarawak order book and growth vector; (iii) capacity coming onstream where Indonesia's doubled output and Malaysia-side automation by converting the RM150.8m order book and RM410m tender pipeline into billed revenue; and (iv) operating leverage, with gross margin held flat at 33.5% but the cost base growing sub-proportionately to revenue, lifting operating margin toward ~22%. We gathered these drivers are locked in rather than speculative, including the data centre pipeline, Tenaga Kenari consolidation and capacity expansion are all already contracted or under construction, so we see limited execution risk to this earnings path, with the RM120.7m net cash position we forecast by FY28F providing further balance sheet flexibility should additional growth opportunities emerge.

Figure 11: Balance Sheet Snapshot (FY23A-FY27F)

	FY24A (RM'm)	FY25A (RM'm)	FY26A (RM'm)	FY27F (RM'm)	FY28F (RM'm)
Cash & Equivalent	67.61	58.37	76.89	131.12	190.44
Net Cash/(Debt)	74.63	51.17	46.84	65.93	120.73
Net Cash per Share	0.13	0.09	0.08	0.09	0.17
Operating Cash Flow	(8.30)	17.06	23.13	48.07	55.97
Capex	(0.79)	(1.11)	(1.13)	(3.61)	(3.82)
Dividend Payout	31.00%	36.10%	33.00%	33.00%	33.00%

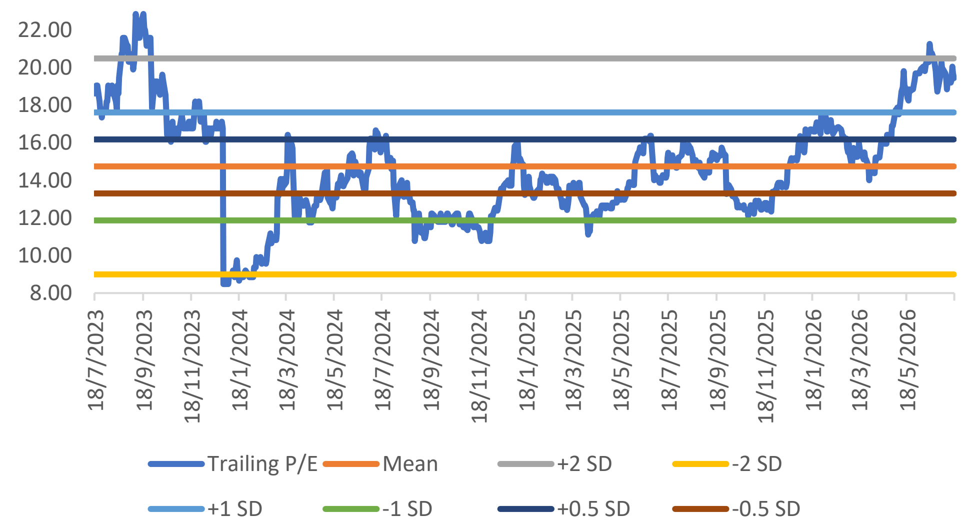
Source: Company, Apex Securities

Valuation & Recommendation

We **initiate coverage on PWRWELL with a BUY recommendation and a target price of RM1.10**, representing 29.7% upside from the current price of RM0.86. Our target price is derived by applying a 16.2x P/E multiple, equivalent to +0.5SD premium to PWRWELL's 3-year historical average of 14.7x, to our FY27F–FY28F blended core EPS estimate of 6.8sen.

The valuation premium is justified by the Group's earnings inflection, with core net profit forecast to more than double from RM24.1m in FY26A to RM51.1m in FY28F (45.7% CAGR), underpinned by largely de-risked growth drivers including data centre project wins, the consolidation of Tenaga Kenari, and expanded manufacturing capacity in Indonesia. An Apex Securities three-star ESG rating is applied with no premium or discount at this rating level.

Figure 12: 3-Year Trailing P/E Chart



Source: Bloomberg, Apex Securities

Figure 13: Comparable Peers

Company	Market Cap (RM'm)	Price As at 29 Jul 26 (RM)	Rating	Target Price (RM)	P/E (x) 2027F	P/E (x) 2028F	P/B (x) 2027F	P/B (x) 2028F	Yield (%)
PWRWELL	**499**	**0.860**	**BUY**	**1.10**	**12.7**	**10.8**	**2.4**	**1.8**	**3.4**
PEKAT	1,275	1.800	BUY	1.88	16.9	15.3	2.4	2.1	2.1
KENERGY*	195	0.355	NR	-	14.3	10.2	2.0	1.9	-
MIKROMB*	646	0.535	NR	-	6.9	19.9	1.0	2.0	-
EIPOWER	462	0.660	NR	-	-	-	-	-	-
Average ex-PWRWELL					**12.7**	**15.1**	**1.8**	**2.0**	**2.1**

**Refer to market consensus, FY24A, FY25A, FY26F & FY27F*
Source: Bloomberg, Apex Securities

Investment Risks

Demand Risks. Slowdown in project awards, slower AI infrastructure investments, delays in hyperscale developments, electricity supply constraints or regulatory changes affecting data centre developments

Execution Risks. Rising steel and copper prices, more aggressive tender pricing or cost overruns on fixed-price contracts could result in margin compression.

Strategic Risks. Weaker-than-expected financial performance in recently acquired Tenaga Kenari.

Financial Risks. Delayed customer payments or slower inventory turnover could temporarily affect operating cash flow despite continued earnings growth.

Financial Highlights

Income Statement

FYE Dec (RM m)	FY25A	FY26F	FY27F	FY28F	FY29F
Revenue	**137.5**	**159.0**	**276.0**	**318.2**	**350.4**
Gross Profit	**45.6**	**53.3**	**92.5**	**106.6**	**117.4**
Operating Profit	**27.6**	**36.4**	**61.1**	**71.1**	**78.3**
Profit Before Tax	**26.8**	**35.7**	**60.5**	**70.5**	**77.7**
Tax	(8.1)	(10.9)	(14.5)	(16.9)	(18.7)
Profit After Tax	**18.8**	**24.8**	**45.9**	**53.6**	**59.1**
Minority Interest	-	(0.7)	(2.2)	(2.5)	(2.7)
Net Profit	**18.8**	**24.1**	**43.7**	**51.1**	**56.3**
Exceptionals	-	-	-	-	-
Core Net Profit	**18.8**	**24.1**	**43.7**	**51.1**	**56.3**

Key Ratios

FYE Dec (RM m)	FY25A	FY26F	FY27F	FY28F	FY29F
Basic Core EPS (sen)	3.23	4.15	7.53	8.80	9.70
Diluted Core EPS (sen)	3.23	4.15	6.28	7.34	8.09
P/E (x)	13.16x	13.98x	12.67x	10.84x	9.83x
BVPS (RM)	0.17	0.20	0.33	0.45	0.56
P/B (x)	2.53x	2.95x	2.39x	1.78x	1.41x
EV/EBITDA (x)	7.13x	7.59x	4.45x	3.86x	3.50x
DPS (sen)	1.00	1.50	2.48	2.91	3.20
Dividend Yield (%)	1.3%	1.9%	3.1%	3.7%	4.0%
EBITDA margin (%)	21.8%	24.7%	23.4%	23.5%	23.4%
EBIT margin (%)	20.1%	22.9%	22.1%	22.3%	22.3%
PBT margin (%)	19.5%	22.4%	21.9%	22.2%	22.2%
PAT margin (%)	13.7%	15.6%	16.6%	16.8%	16.9%
NP margin (%)	13.7%	15.1%	15.8%	16.1%	16.1%
CNP margin (%)	13.7%	15.1%	15.8%	16.1%	16.1%
ROE (%)	19.3%	20.8%	22.7%	19.8%	17.2%
ROA (%)	10.3%	12.4%	13.8%	12.8%	11.7%
Net gearing (%)	NET CASH	NET CASH	NET CASH	NET CASH	NET CASH

Valuations	FY27F
FY27-FY28 Blended Core EPS (sen)	6.8
P/E multiple (x)	16.2x
Fair Value (RM)	**1.10**
ESG premium/discount	-
Implied Fair Value (RM)	**1.10**

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY25A	FY26F	FY27F	FY28F	FY29F
Cash & bank balances	67.6	58.4	76.9	131.1	190.4
Receivables	53.2	55.1	95.3	109.9	121.0
Inventories	26.9	45.5	79.0	91.0	100.2
Other current assets	2.7	-	-	-	-
Total Current Assets	**150.4**	**158.9**	**251.1**	**332.0**	**411.7**
PPE	0.1	0.7	0.7	0.7	0.7
Other non-current assets	1.8	5.7	35.7	35.7	35.7
Total Non-current assets	**31.8**	**35.3**	**66.3**	**67.4**	**68.8**
Short-term Debt	9.4	3.7	4.0	4.0	4.0
Payables	66.6	63.5	110.1	127.0	139.8
Other Current Liabilities	0.0	1.0	1.0	1.0	1.0
Total Current Liabilities	**76.0**	**68.2**	**115.1**	**131.9**	**144.8**
Long-term Debt	7.8	7.8	7.0	6.4	5.8
Other non-current liabilities	0.9	2.4	2.4	2.4	2.4
Total Non-current Liabilities	**8.8**	**10.2**	**9.4**	**8.8**	**8.2**
Shareholder's equity	97.5	114.0	175.5	238.8	304.8
Minority interest	-	1.9	17.4	19.9	22.6
Total Equity	**97.5**	**115.9**	**193.0**	**258.7**	**327.4**

Cash Flow

FYE Dec (RM m)	FY25A	FY26F	FY27F	FY28F	FY29F
Pre-tax profit	26.8	35.7	60.5	70.5	77.7
Depreciation & amortisation	2.4	2.8	2.6	2.7	2.8
Changes in working capital	(31.8)	(18.6)	(27.0)	(9.8)	(7.5)
Tax paid	(8.5)	(6.7)	(14.5)	(16.9)	(18.7)
Others	2.9	3.9	1.6	1.6	1.6
Operating cash flow	**(8.3)**	**17.1**	**23.1**	**48.1**	**56.0**
Net capex	(1.1)	(1.1)	(3.6)	(3.8)	(4.2)
Others	0.9	(2.8)	(16.7)	-	-
Investing cash flow	**(0.3)**	**(3.9)**	**(20.3)**	**(3.8)**	**(4.2)**
Borrowings	(4.2)	(15.8)	15.7	10.0	7.6
Others	-	-	-	-	-
Financing cash flow	**(4.2)**	**(15.8)**	**15.7**	**10.0**	**7.6**
Net cash flow	**(12.7)**	**(2.6)**	**18.5**	**54.2**	**59.3**
Currency translation differences	(0.8)	(1.7)	-	-	-
Beginning cash & cash equivalent	88.1	67.6	58.4	76.9	131.1
Ending cash & cash equivalent	**67.6**	**58.4**	**76.9**	**131.1**	**190.4**
Fixed deposits & MMF	(17.5)	(17.8)	(17.8)	(17.8)	(17.8)
Cash and bank balances	**50.2**	**40.6**	**59.1**	**113.3**	**172.7**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Developing "Power-Off Policies" to ensure non-essential equipment is shut down when not in use
Energy	★★★	Total electricity consumption for main operating facilities was 675,197 kWh
Water	★★★	Total water consumption recorded was 6,089 megalitres

Social

Diversity	★★	The Board consists of 33.33% female directors (2 out of 6 members)
Workforce Demographics	★★★	58.33% of the workforce is male at the non-executive level, and majority of employees (54.37%) are in the 30–50 age group
Occupational Safety and Health	★★★	Health and safety training: 37 employees were trained on these standards
Labour Practices	★★★	A total of 1,113 training hours were provided to 159 employees across the board

Governance

Ethics and Integrity	★★★	All existing employees have signed and acknowledged the Anti-Bribery and Anti-Corruption and Whistleblower Policies
Regulatory	★★	The Group maintains multiple international and national certifications, including ISO 9001:2015 (Quality Management) and ISO 45001:2018 (Occupational Health and Safety)
Supply Chain Integrity	★★★	Plans are underway to implement a formal Supplier Code of Ethics to ensure ESG compliance across the supply chain, with implementation starting in FYE 2026

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, 30 Jul, 2026**, 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.