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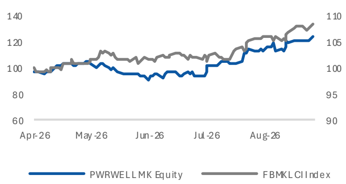
Recommendation:		HOLD
Current Price:		RM 1.09
Previous Target Price:		RM 1.10
Target Price:	↔	RM 1.10
Capital Upside/Downside:		0.9%
Dividend Yield (%):		1.4%
Total Upside/Downside:		**2.3%**

Stock information

Board	ACE
Sector	Industrial
Bursa / Bloomberg Code	0217 / PWRWELL MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	580.6
Market Cap (RM' m)	632.8
52-Week Price Range (RM)	1.14-0.505
Beta (x)	1.1
Free float (%)	81.8
3M Average Volume (m)	3.8
3M Average Value (RM' m)	3.4

Top 3 Shareholders	(%)
United Fam Sdn	24.3
Wong Yen Yoke	4.8
Tham Wai Kien	3.0

Share Price Performance



	1M	3M	12M
Absolute (%)	26.7	39.7	94.6
Relative (%)	24.6	35.2	77.4

Earnings summary

FYE (Mar)	FY26A	FY27F	FY28F
Revenue (RM'm)	159.0	276.0	318.2
PATAMI (RM'm)	24.1	43.7	51.1
CNP (RM'm)	24.1	43.7	51.1
EPS - core (sen)	4.1	6.3	7.3
P/E (x)	13.2	14.0	17.4

Source: Company, Apex Securities

PWRWELL HOLDINGS BERHAD

Data Centre Boom Sparks a Record-Breaking Start to FY27

- **PWRWELL's 1QFY27 core net profit rose of RM9.7m (+119.1% YoY, +53.0% QoQ) results are deemed in line, accounted for 22% of our FY27F forecast and 27% of consensus estimates.**
- **We remain positive on the Group's medium-term outlook, underpinned by a record RM268.9m order book (as at 30 June 2026) and sustained data centre capex momentum, though near-term margins are normalising from an elevated base.**
- **No changes on our FY27F/FY28F/FY29F core net profit forecasts of RM43.7m/RM51.1m/RM56.3m.**
- **We maintain HOLD with an unchanged TP of RM1.10, based on an unchanged 16.2x PE multiple applied to a blended FY27F-FY28F core EPS estimate of 6.8sen.**

Results inline. PWRWELL's 1QFY27 core net profit of RM9.7m, after adjusting for a net forex loss of RM0.1m and ESOS-related expenses of RM0.6m, was **in line with expectations**, representing 22.2% of our FY27F core net profit forecast and 27.0% of consensus estimates.

QoQ. Revenue surged 113.0% QoQ to a record RM88.3m from RM41.4m in 4QFY26, driven by billings from several data centre projects and the maiden consolidation of the newly acquired Tenaga Kenari group of subsidiaries (49% equity interest in Tenaga Kenari Sdn Bhd and Tenaga Kenari Marketing Sdn Bhd, completed 1 April 2026). With that, core net profit increased 53.0% QoQ to RM9.7m from RM6.4m.

YoY. Revenue jumped 145.6% YoY to a record RM88.3m (1QFY26:RM36.0m), again driven by data centre project billings and the Tenaga Kenari contribution. Core net profit rose 119.1% to RM 9.7m (1QFY26:RM4.4m), powered by higher billings from several data centre projects that were delivered and accepted in the quarter.

Cash flow. Operating cash flow turned negative at RM11.2m in 1QFY27 (1QFY26: +RM10.9m), mainly due to higher inventories and receivables as the Group stocked up materials to support its stronger order pipeline. We view this as a **near-term working-capital requirement**, with cash conversion expected to improve as projects progress and inventories are converted into sales.

Outlook. We remain constructively positive on the 1HFY27 outlook, underpinned by a **record RM268.9m order book** as at 30 June 2026, anchored by the Group's largest-ever single contract worth RM158.8m secured in June 2026. The Group is well positioned to ride continued tailwinds from the data centre, renewable energy, semiconductor and infrastructure sectors, supported by a promising tender pipeline and ongoing capacity expansion.

Earnings Revision. We maintain our FY27F/FY28F/FY29F core net profit forecasts of RM43.7m/RM51.1m/RM56.3m, with no changes to our earnings assumptions.

Valuation & Recommendation. We maintain **HOLD** on with an unchanged **TP of RM1.10**, based on an unchanged PE multiple of 16.2x applied to a blended FY27F-FY28F core EPS estimate of 6.8sen.

Risks. Slowdown in project awards, lower margins due to jobs outsourcing, higher expansion costs, electricity supply constraints or regulatory changes affecting data centre developments.

Results Comparison

FYE Mar (RM m)	1QFY27	1QFY26	yoy (%)	4QFY26	qoq (%)
Revenue	88.3	36.0	*145.6*	41.4	*113.0*
Operating profit	13.0	6.1	*114.3*	12.5	*4.6*
Profit before tax	12.9	5.8	*120.4*	12.3	*4.8*
Tax expenses	(3.3)	(1.5)	*119.6*	(4.5)	*(26.3)*
Profit after tax	9.6	4.3	*120.6*	7.8	*22.7*
Reported PATMI	9.0	4.2	*114.6*	7.7	*17.5*
Core PATMI	9.7	4.4	*119.1*	6.4	*53.0*
Core EPS (sen)	1.7	0.8	*119.1*	1.1	*53.0*
DPS (sen)	-	-		1.0	
PBT margin	15%	16%		30%	
Effective tax rate	26%	26%		37%	
Core net profit margin	11%	12%		15%	

Source: Company, Apex Securities

Geographical Breakdown

FYE Mar (RM m)	1QFY27	1QFY26	yoy (%)	4QFY26	qoq (%)
Malaysia	87.2	30.5	*185.7*	35.4	*146.2*
Bangladesh	-	4.1	*(100.0)*	-	-
Indonesia	1.1	1.3	*(18.2)*	6.0	*(82.4)*
Total	88.3	**35.9**	***145.6***	**41.4**	*113.1*

Source: Company, Apex Securities

Financial Highlights

Income Statement

FYE Mar (RM m)	FY25A	FY26A	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 Mar (RM m)	FY25A	FY26A	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	17.37x	14.86x	13.48x
BVPS (RM)	0.17	0.20	0.33	0.45	0.56
P/B (x)	2.53x	2.95x	3.28x	2.45x	1.93x
EV/EBITDA (x)	7.13x	7.59x	6.30x	5.46x	4.96x
DPS (sen)	1.00	1.50	2.48	2.91	3.20
Dividend Yield (%)	0.9%	1.4%	2.3%	2.7%	2.9%
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	FY27-FY28F
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 Mar (RM m)	FY25A	FY26A	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 Mar (RM m)	FY25A	FY26A	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 **Friday, 28 Aug, 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.