POWERWELL HOLDINGS BERHAD

Secures RM190.4m in New Data Centre Switchgear Orders

- **PWRWELL secured RM190.4m in two POs from a leading data centre MNC for LV switchgear supply and delivery.**
- **This continues PWRWELL's repeat-customer data centre wins, following the RM158.8m in June 2026 and RM33.2m of smaller Puncak Alam/Elmina Business Park. Together with today's RM190.4m, the Group's current outstanding orderbook stands at approximately RM450.0m.**
- **Medium-term outlook stays positive, supported by (i) DC build-out (capacity to RM500m by FY2028), (ii) Tenaga Kenari as a second earnings engine, and (iii) the new Shah Alam plant to restore margins by FY2028.**
- **No change to our earnings forecasts as the bulk of the newly secured orders will be recognised in FY28F and are already factored into our existing project execution assumptions.**
- **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.**

Two new orders in a roll. On 21 September 2026, PWRWELL announced that it has received two purchase orders (POs) totalling RM190.4m (inclusive of Sales & Service Tax) from one of the leading multinational technology corporations specialising in data centres, for the supply and delivery of low voltage switchgear and other related equipment, where first PO amounted to RM63.5m was awarded on 17 September 2026, and 2nd PO amounted to RM126.9m was awarded in the subsequent day. In addition, we gathered from the management that that the bulk of the projects will carry forward to FY28.

Orderbook swells to c.RM450m. Following the latest RM190.4m orders, PWRWELL's outstanding orderbook has increased from RM268.9m as at 30 June 2026 to approximately **RM450m as at today**, according to management. This continues the Group's recent run of large data centre wins, following the RM158.8m contract secured in June 2026 and RM33.2m of smaller Puncak Alam/Elmina Business Park orders flagged at the 1QFY27 results briefing.

Outlook. The medium-term outlook on PWRWELL remains **positive**. The Group is well positioned to benefit from several multi-year structural growth drivers, including: (i) Malaysia's data centre build-out, where a RM500m revenue capacity target by end-FY2028 (from ~RM250-280m currently) and cubicle output nearly doubling that give it clear runway to capture the wider AI infrastructure investment cycle (ii) the Tenaga Kenari acquisition, which anchors a second earnings engine in East Malaysia's improving infrastructure segment; and (iii) the new Shah Alam/Kota Kemuning factory, which lets the Group bring outsourced fabrication and site-support work back in-house from FY2028, restoring the margin currently diluted by outsourcing.

Earnings Revision. No change to our earnings forecasts as the bulk of the newly secured orders will be recognised in FY28F and are already factored into our existing project execution assumptions.

Valuation & Recommendation. 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.

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

Research Team
(603) 7890 8899
researchteam@apexsecurities.com.my

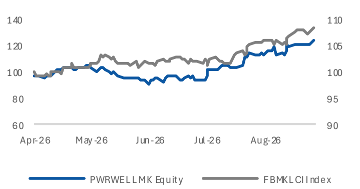
Recommendation:		HOLD
Current Price:		RM 1.16
Previous Target Price:		RM 1.10
Target Price:	↔	RM 1.10
Capital Upside/Downside:		-5.2%
Dividend Yield (%):		1.3%
Total Upside/Downside:		**-3.9%**

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)	673.4
52-Week Price Range (RM)	1.16-0.505
Beta (x)	1.1
Free float (%)	57.6
3M Average Volume (m)	3.4
3M Average Value (RM' m)	3.2

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 (%)	2.7	34.9	103.5
Relative (%)	6.9	37.6	95.7

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)	28.0	18.5	15.8

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)	35.9x	28.0x	18.5x	15.8x	14.3x
BVPS (RM)	0.17	0.20	0.33	0.45	0.56
P/B (x)	2.53x	2.95x	3.49x	2.60x	2.06x
EV/EBITDA (x)	7.13x	7.59x	6.74x	5.84x	5.31x
DPS (sen)	1.00	1.50	2.48	2.91	3.20
Dividend Yield (%)	0.9%	1.3%	2.1%	2.5%	2.8%
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

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(a) nil.