

Research Team

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Recommendation:	HOLD
Current Price:	RM1.15
Previous Target Price:	RM1.10
Target Price:	↔ RM1.10
Capital Upside/Downside:	-4.3%
Dividend Yield (%):	1.3%
Total Upside/Downside:	-3.0%

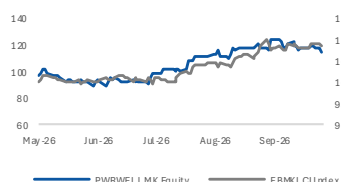
Stock information

Board	ACE
Sector	Industrial
Bursa/Bloomberg Code	0217 / PWRWELL MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	580.6
Market Cap (RM' m)	667.6
52-Week Price Range (RM)	1.22-0.505
Beta (x)	1.1
Free float (%)	57.6
3M Average Volume (m)	3.4
3M Average Value (RM' m)	3.4

Top 3 Shareholders

	(%)
United Fam Sdn	24.3
Wong Yoke Yen	4.8
Principal Financial Group Inc	3.1

Share Price Performance



	1M	3M	12M
Absolute (%)	11.7	42.9	100.0
Relative (%)	17.2	44.6	96.1

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)	27.7	18.3	15.7

Source: Company, Apex Securities

POWERWELL HOLDINGS BERHAD

Forges Strategic Collaboration with Socomec for Data Centre & Hyperscale Market

- PWRWELL's subsidiary, Powerwell International Sdn Bhd (PISB) has signed a Strategic Collaboration Agreement with France-based Socomec to jointly pursue Malaysia's data centre and hyperscale segment, with PWRWELL acting as system integrator for UPS-integrated power train units
- We view the tie-up positively, as it strengthens PWRWELL's system-integrator positioning in data centres, though it remains early-stage with no firm scope or orders and is best read as positioning rather than a near-term catalyst.
- No change to our earnings forecasts as management guided that the tie-up is still early-stage with nothing concrete secured at this juncture.
- 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.

Partners with Socomec on Data Centre Power Solutions. On 29 September 2026, PWRWELL, via its wholly-owned subsidiary, Powerwell International Sdn Bhd (PISB), has signed a Strategic Collaboration Agreement with Socomec Innovative Solution (Malaysia) Sdn Bhd, the Malaysian arm of France's Socomec Group, to jointly pursue opportunities in Malaysia's data centre and hyperscale segment. Under the tie-up, PWRWELL will serve as system integrator for power train units, factory-integrated modules pairing its own power distribution equipment with Socomec's UPS systems, combining both parties' expertise into a single end-to-end power solution for data centre customers.

About Socomec. Socomec is a century-old, family-owned French electrical equipment group specialising in low-voltage energy performance, spanning power conversion, switching and monitoring. It employs over 5,200 people across 30 subsidiaries worldwide and generates close to €1b in annual turnover, serving data centres and other critical environments.

Outlook. PWRWELL's medium-term outlook stays **positive**. The Socomec tie-up extends its system-integrator ambitions in the data centre space, building on the pilot "power skid" initiative flagged at the 1QFY27 briefing, and gives the Group a named international UPS partner to pair with its own LV/MV switchgear capabilities. With the management confirming discussions remain early-stage with no firm scope, orders or timeline, we view this as reinforcing PWRWELL's data centre positioning rather than a near-term earnings catalyst.

Earnings Revision. No change to our earnings forecasts as management guided that the tie-up is still early-stage with nothing concrete secured at this juncture.

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.

Company Update

Wednesday, 30 Sep, 2026

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)	35.6x	27.7x	18.3x	15.7x	14.2x
BVPS (RM)	0.17	0.20	0.33	0.45	0.56
P/B (x)	2.53x	2.95x	3.46x	2.58x	2.04x
EV/EBITDA (x)	7.13x	7.59x	6.68x	5.79x	5.26x
DPS (sen)	1.00	1.50	2.48	2.91	3.20
Dividend Yield (%)	0.9%	1.3%	2.2%	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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As of **Wednesday, 30 Sep, 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.