

## Solarvest Holdings

### Another Strong Quarter Ahead

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9MFY26 earnings came within expectations, mainly supported by stronger EPCC execution from CGPP projects and improving renewable energy (RE) contributions. Looking ahead, 4Q earnings are expected to improve, driven by continued recognition from CGPP projects and accelerated revenue recognition from LSS5 projects. We expect near-term order book replenishment to be driven by the 470MWac LSS5+ project (80% MALAKOF, 20% SLVEST), which is likely to achieve financial close c.six months after receiving its Letter of Notification (LON). EPCC awards are estimated at around RM1.4bn in total project value. Solar module procurement risks remain manageable in our view, supported by secured 2GW panel capacity at locked-in prices and a strengthening Ringgit, underpinning strong earnings visibility into FY27-FY28. Reiterate TP of RM3.45 and OP. SLVEST remains our top RE pick.

SLVEST's 3QFY26 earnings increased 11.5% QoQ and 40.7% YoY to RM21.6m, bringing 9MFY26 CNP to RM55.6m (+77% YoY), accounting for 70.4% of our full-year forecast and 71.7% of consensus estimate. We consider the results within expectations, as we expect stronger performance in the coming quarters, supported by continued execution of CGPP projects and accelerated EPCC execution from LSS5 projects.

**QoQ**, earnings increased by 12%, mainly driven by stronger contributions from project management activities under the "Others" segment, alongside higher associate contributions (+315%) under investment holding activities. Core EPCC segment profitability moderated, which we attribute to newly commenced LSS5 projects remaining at an early execution stage, coupled with lower contributions from higher-margin C&I rooftop solar projects following the expiry of the NEM programme in June 2025, resulting in a temporary policy vacuum ahead of the Solar ATAP rollout in January 2026. Meanwhile, RE generation recorded sequential improvement, supported by higher electricity sales from operating solar assets.

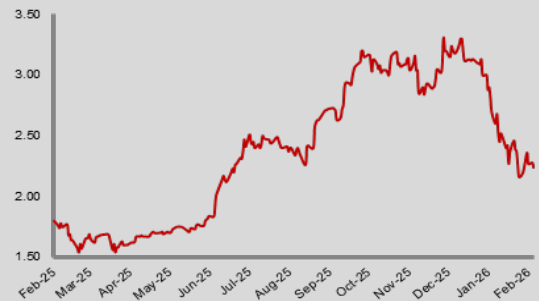
**YTD**, earnings grew strongly by 77% YoY, mainly driven by higher contributions from the EPCC segment (segmental PBT +52% YoY), supported by a higher mix of utility-scale projects, particularly CGPP, compared with the same period last year. In addition, RE generation recorded robust growth following the commissioning of LSS4 solar assets, contributing to a 70% increase in segmental PBT. Contributions from the Others and investment holding segments were broadly in line with the factors highlighted in the QoQ performance.

**Outlook**, we expect earnings to continue improving in the coming quarters, mainly driven by accelerated EPCC execution under LSS5 projects. Recently secured LSS5+ jobs are also expected to gradually gain momentum, positioning the Group favourably for stronger earnings visibility ahead. As of 31 Dec 2025, the order book stood at RM1.5b (68% LSS, 19% CGPP, 13% C&I). Based on channel checks, c.50% of LSS5+ EPCC works remain unallocated, providing further near-term order book replenishment opportunities. Given its established execution track record and continued participation in utility-scale tenders, we believe SLVEST is likely to remain active in bidding for the remaining packages, with potential to maintain a market share broadly in line with LSS5 (31.5%) compared with its current LSS5+ share of 23.5%. In addition, near-term order book replenishment is also expected to stem from the 470MWac LSS5+ project (80% MALAKOF, 20% SLVEST), which is likely to reach financial close in the near term following receipt

## OUTPERFORM ↔

Price : **RM2.24**  
Target Price : **RM3.45** ↔

### Share Price Performance



KLCI	1,754.01
YTD KLCI chg	4.4%
YTD stock price chg	-32.1%

### Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	SOLAR MK Equity
Market Cap (RM m)	2122.7
Shares Outstanding	947.6
52-week range (H)	3.39
52-week range (L)	1.52
3-mth avg. daily vol.	5,105,423
Free Float	51%
Beta	0.9

### Major Shareholders

Atlantic Blue Holdings Sdn Bhd	17.7%
Urusharta Jamaah Sdn Bhd	6.4%
Lim Chin Siu	6.2%

### Summary Earnings Table

FYE Mar (RM m)	2025A	2026F	2027F
Turnover	536.8	839.6	1,586.6
Operating Profit	83.7	120.3	239.4
Profit Before Tax	74.2	96.4	134.6
<b>Net Profit</b>	<b>53.3</b>	<b>79.0</b>	<b>109.8</b>
<b>Core Net Profit</b>	<b>51.9</b>	<b>79.0</b>	<b>109.8</b>
Consensus (NP)	-	75.8	98.6
Earnings Revision	-	-	-
Core EPS (sen)	7.7	9.9	12.5
Core EPS Growth (%)	61.0	52.1	39.0
NDPS (sen)	1.0	-	-
NTA per Share (RM)	0.5	0.8	0.9
PER (x)	30.0	22.5	17.9
PBV (x)	5.1	2.7	2.5
Net Gearing (x)	0.3	(0.2)	(0.1)
Net Div. Yield (%)	0.4	-	-

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of its Letter of Notification (LON). We estimate the full turnkey project value at c.RM1.4bn.

**Solar panel procurement risks remain manageable.** To recap, SLVEST has secured 2GW of solar panel capacity at competitive locked-in prices, which is sufficient to fulfil requirements for both secured LSS5 and LSS5+ projects. It was clarified at the results briefing that of the total, 600MW is exposed to 9% VAT given that these are to carry out existing EPCC on an outstanding order book of RM1.5b, of which 10% would likely be delivered before April (VAT exemption would still apply). Whereas for the remainder 1.4GW, these are for future projects and SLVEST has clarified that there are pass-through to new contracts for VAT. In our view, the impact remains manageable, supported by the strengthening of the Ringgit (we estimate LSS5 tender pricing was based on c.RM4.7/USD vs the current RM3.9/USD), alongside early procurement advantages which provide additional margin headroom. Solar module prices currently hover around USD0.11/W.

**Forecasts.** Maintained.

**Upside to TP.** Demand for CRESS which is the focus of the Brookfield JV is expected to be robust, and we haven't given our estimates such benefit to EPCC earnings. Primarily, SLVEST is still being kept busy with other undertakings (LSS5+, etc), and secondly Brookfield EPCC is likely to be ramped up in FY27. Using FY28 annualised profit, and assuming a 49% share (portion of work it doesn't effectively own in the JV), this could add up to an additional RM35m of profit annually (at 5% net margin). Based on an unchanged 30x FY27F PER for EPCC, this could propel TP by up to an additional RM1.00. For other assets, we continue to employ DCF at a discount rate of 5.5% to 5.6% for its LSS4, LSS5, LSS5+, CGPP, and Powervest assets (see Exhibit 1). Our TP reflects a 5% premium given a 4-star ESG.

**Investment case.** We like SLVEST for: (i) the bright outlook of the RE market in Malaysia, underpinned by the government's strong commitment towards RE, the export potential of RE and improved commercial viability of solar power projects on falling solar panel prices, (ii) its dominant market position with a market share of over 30% in the solar EPCC space, and (iii) its strong earnings visibility backed by a sizeable outstanding order and tender books, and recurring income from a growing portfolio of solar assets. Maintain **OUTPERFORM**.

**Risks to our call include:** (i) the government dials back on RE policy, (ii) influx of new players in the solar EPCC space, intensifying competition, (iii) escalation in project costs, (iv) stress on balance sheet from Brookfield venture, where project funding will be decided on project-by-project basis, with borrowings, internal funding, sukuk issuance, and cash calls being available avenues.

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## Results Highlights

FYE Mar (RM'm)	3Q26	2Q26	QoQ	3Q25	YoY	9M26	9M25	YoY
Revenue	181.2	169.5	7%	135.4	34%	488.4	312.0	57%
Cost of sales	-129.0	-121.5	6%	-97.9	32%	-347.8	-219.2	59%
<b>Gross Profit</b>	<b>52.2</b>	<b>48.0</b>	<b>9%</b>	<b>37.5</b>	<b>39%</b>	<b>140.6</b>	<b>92.7</b>	<b>52%</b>
Other income	1.6	1.7	-7%	1.0	66%	4.2	2.8	53%
Administrative expenses	-21.7	-18.2	19%	-14.2	54%	-54.6	-38.5	42%
Sales and distribution expenses	-2.2	-1.3	69%	-1.5	48%	-4.8	-2.9	67%
<b>Operating Profit</b>	<b>29.9</b>	<b>30.2</b>	<b>-1%</b>	<b>22.8</b>	<b>31%</b>	<b>85.5</b>	<b>54.1</b>	<b>58%</b>
Finance costs	-5.2	-4.0	29%	-2.7	89%	-13.2	-7.8	69%
Share of profit of an associate	2.7	0.7	315%	-0.1	N.A.	4.0	-0.1	N.A.
<b>Profit before tax</b>	<b>27.4</b>	<b>26.8</b>	<b>2%</b>	<b>20.0</b>	<b>37%</b>	<b>76.3</b>	<b>46.2</b>	<b>65%</b>
Tax expense	-5.8	-7.4	-22%	-4.7	25%	-19.1	-13.1	46%
Non-controlling Interests	0.6	0.6	-9%	1.0	-40%	1.6	1.8	-8%
<b>Net Profit</b>	<b>21.6</b>	<b>19.4</b>	<b>12%</b>	<b>15.4</b>	<b>41%</b>	<b>57.2</b>	<b>33.2</b>	<b>73%</b>
<b>Core Net Profit</b>	<b>21.0</b>	<b>18.7</b>	<b>12%</b>	<b>14.4</b>	<b>46%</b>	<b>55.6</b>	<b>31.4</b>	<b>77%</b>
GP Margin	29%	28%		28%		29%	30%	
Operating Margin	16%	18%		17%		18%	17%	
PBT Margin	15%	16%		15%		16%	15%	
Net Margin	12%	11%		11%		12%	11%	
Core Net Margin	12%	11%		11%		11%	10%	
Effective tax rate	21%	28%		23%		25%	28%	

Source: Company, Kenanga Research

## Segmental Breakdown

External Revenue	3Q26	2Q26	QoQ	3Q25	YoY	9M26	9M25	YoY
Investment Holding	1.1	0.3	285%	0.0	N.A.	1.4	0.0	N.A.
EPCC	153.4	149.1	3%	109.9	40%	427.2	260.0	64%
O&M	2.0	3.1	-37%	2.6	-25%	7.9	6.9	14%
Sale of Electricity	8.5	8.0	5%	6.1	40%	24.2	19.1	26%
Others	16.4	8.9	83%	16.9	-3%	27.9	25.9	8%
<b>Total Revenue</b>	<b>181.2</b>	<b>169.5</b>	<b>7%</b>	<b>135.4</b>	<b>34%</b>	<b>488.4</b>	<b>312.0</b>	<b>57%</b>
<b>PBT Segmentation</b>								
Investment Holding	3.1	-1.1	N.A.	0.0	62260%	2.1	-0.4	N.A.
EPCC	16.2	25.0	-35%	18.2	-11%	60.8	39.9	52%
O&M	-0.1	0.2	-165%	0.8	-118%	1.0	1.8	-46%
Sale of Electricity	3.5	3.3	4%	1.5	127%	9.9	5.8	70%
Others	5.1	-0.5	N.A.	-0.6	N.A.	3.6	-0.9	N.A.
Elimination	-0.4	-0.1	236%	0.1	-541%	-1.0	0.1	-1305%
<b>Total PBT</b>	<b>27.4</b>	<b>26.8</b>	<b>2%</b>	<b>20.0</b>	<b>37%</b>	<b>76.3</b>	<b>46.2</b>	<b>65%</b>

Source: Company, Kenanga Research

Module Type (TOPCon Bifacial)	W1	W2	W3	W4	W5	W6	YTD
182mm, 72 cells (580-590w)	0.10	0.10	0.10	0.11	0.11	0.11	0.16
210mm, 60 cells (630-655w)	0.10	0.10	0.11	0.11	0.11	0.11	0.16
210mm, 60 cells (700-725w)	0.10	0.10	0.11	0.11	0.11	0.11	0.19
210R, 60 cells (610-635w)	N.A.	0.10	0.11	0.11	0.11	0.11	N.A.

Assumption: RMBUSD = 0.14

Source: TaiYangNews, Kenanga Research

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**Exhibit 1: Sum-of-Parts (SoP) Valuation**

<b>Business/Asset</b>	<b>Value (RM m)</b>	<b>Basis</b>
EPCC	2,333.9	30x FY27F PER
Kee Ming Electrical Manufacturing	33.6	16x FY27F PER
SIW Manufacturing	31.8	10x FY27F PER
LSS4	61.9	DCF with a discount rate of 5.5%
LSS5	39.9	DCF with a discount rate of 5.5%
LSS5+	23.5	DCF with a discount rate of 5.5%
CGPP	40.5	DCF with a discount rate of 5.6%
Brunei	12.1	DCF with a discount rate of 5.6%
Powervest	135.6	DCF with a discount rate of 5.6%
Sarawak Asset	30.4	DCF with discount rate of 5.5%
Brookfield (developer portion)	194.1	
<b>Asset Valuation</b>	<b>2,937.5</b>	
Proceeds from exercise of warrants/ESOS/placement	385.0	158.5m outstanding warrants @ RM1.00 and 58.7m outstanding ESOS @ weighted average price of RM0.79 and including this private placement
	3,322.4	
Enlarged share base (m shares)	1,012.4	Including 158.5m shares from warrant exercise, 58.7m shares from ESOS exercise and 40.2m new shares from earlier private placement and 84.7m from this placement
Fully-diluted TP before ESG (RM/share)	3.28	
ESG premium (RM/share)	0.16	5% based on a 4-star rating
<b>TP after ESG (RM/share)</b>	<b>3.45</b>	

Source: Kenanga Research

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## Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside	Market Cap (RM m)	Shariah Compliance	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE	Net Div. (sen)	Net Div Yld
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
<b>Stocks Under Coverage</b>																	
KJTS GROUP BHD	OP	0.830	2.12	155.4%	573.0	Y	12/2025	2.3	4.0	20.8%	71.1%	35.4	20.7	6.1	16.4%	0.5	0.6%
PEKAT GROUP BHD	OP	1.25	1.68	34.4%	882.8	Y	12/2025	7.2	8.5	109.0%	17.5%	17.4	14.8	3.1	24.0%	0.0	0.0%
SAMAIDEN GROUP BHD	OP	1.08	2.08	92.6%	542.4	Y	06/2026	6.9	8.4	24.0%	21.6%	15.6	12.8	4.3	29.8%	0.0	0.0%
SOLARVEST HOLDINGS BHD	OP	2.24	3.45	54.0%	2,122.7	Y	03/2026	10.3	14.3	51.9%	39.2%	21.7	15.6	4.4	22.7%	0.0	0.0%
SWIFT ENERGY TECHNOLOGY BHD	OP	0.195	0.470	141.0%	195.2	Y	09/2026	1.3	2.0	-29.3%	53.8%	15.0	9.8	2.5	19.1%	0.0	0.0%
<b>SECTOR AGGREGATE</b>					<b>158,610.6</b>					<b>-4.1%</b>	<b>7.1%</b>	<b>16.5</b>	<b>15.4</b>	<b>3.0</b>	<b>17.2%</b>		<b>1.8%</b>

Source: Kenanga Research

**Stock ESG Ratings:**

	Criterion	Rating			
<b>GENERAL</b>	Earnings Sustainability & Quality	★	★	★	★
	Community Investment	★	★	★	★
	Workers Safety & Wellbeing	★	★	★	★
	Corporate Governance	★	★	★	
	Anti-Corruption Policy	★	★	★	
	Emissions Management	★	★	★	
<b>SPECIFIC</b>	Transition to Renewables	★	★	★	★
	Reliable Energy & Fair Tariff	★	★	★	★
	Effluent/Waste Management	★	★	★	
	Ethical Practices	★	★	★	★
	Supply Chain Management	★	★	★	
	Customer Satisfaction	★	★	★	★
<b>OVERALL</b>		★	★	★	★

☆ denotes half-star  
 ★ -10% discount to TP  
 ★★ -5% discount to TP  
 ★★★ TP unchanged  
 ★★★★ +5% premium to TP  
 ★★★★★ +10% premium to TP

**Stock Ratings are defined as follows:**

**Stock Recommendations**

OUTPERFORM : A particular stock’s Expected Total Return is MORE than 10%  
 MARKET PERFORM : A particular stock’s Expected Total Return is WITHIN the range of -5% to 10%  
 UNDERPERFORM : A particular stock’s Expected Total Return is LESS than -5%

**Sector Recommendations\*\*\***

OVERWEIGHT : A particular sector’s Expected Total Return is MORE than 10%  
 NEUTRAL : A particular sector’s Expected Total Return is WITHIN the range of -5% to 10%  
 UNDERWEIGHT : A particular sector’s Expected Total Return is LESS than -5%

**\*\*\*Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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