

21 May 2026

Solarvest Holdings

Earnings Beat

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SLVEST's FY26 results beat expectations, driven by stronger-than-expected EPCC margins and supported by better execution of utility-scale projects. FY27 earnings should improve on accelerated LSS5 execution and tail-end CGPP recognition, supported by its RM2.5b order book, which provides visibility into FY27-FY28. Replenishment from the remaining LSS5+ capacity, LSS6 and CRESS tenders remains the key upside driver. Margin risk is manageable, as the 9% VAT impact for the Malakoff LSS5+ project has been priced in and passed through to the offtaker. TP is raised to RM3.36 from RM3.21. Maintain **OUTPERFORM**.

Beats expectations. SLVEST's 4QFY26 CNP rose 10.7% QoQ and 5.1% YoY to RM25.1m, lifting FY26 CNP to RM85.0m (+48.7% YoY). The results exceeded expectations, accounting for 107.6% of our full-year forecast and 107.2% of consensus. The beat was mainly driven by stronger-than-expected EPCC margins, supported by better execution of utility-scale projects.

QoQ, CNP rose 10.7%, mainly driven by stronger EPCC recognition from LSS5 and CGPP projects, with EPCC segmental PBT rising 73%. Earnings were also supported by higher interest income, stronger associate contributions, and incremental electricity sales from additional solar assets ramping up. However, CNP's margin compressed to 9.0% from 11.6% in 3QFY26, dragged by a higher effective tax rate of 39.4%.

YoY. CNP grew 5.1%, supported by stronger utility-scale EPCC recognition and higher recurring income from its operating solar assets. Other supporting factors were broadly similar as QoQ.

Outlook. We expect earnings to improve in the coming quarter, driven mainly by accelerated EPCC execution from LSS5 projects and tail-end recognition from CGPP projects. Associate contribution should remain supportive, backed by Kee Ming's strong order book and exposure to data centre-related projects. Margin pressure appears manageable as the 9% VAT impact for the Malakoff LSS5+ project has been factored into EPC pricing and passed through to the offtaker. Beyond near-term earnings, replenishment from the remaining unallocated LSS5+ capacity and upcoming LSS6 and CRESS tenders in 2H remains the key catalyst, supported by SLVEST's utility-scale track record and available sukuk headroom of c.RM1.3bn.

Order book. As of 31 Mar 2026, the order book stood at RM2.5b (45% LSS, 9% CGPP, 37% LSS5+ and 9% C&I), 3.3x of FY26 revenue.

Forecasts. Following the FY26 outperformance, we raise our FY27F earnings forecast by 3.5% after revising up our utility-scale EPCC margin assumptions. We also introduce FY28F earnings of RM118.2m, after factoring in some delays in CRESS project development.

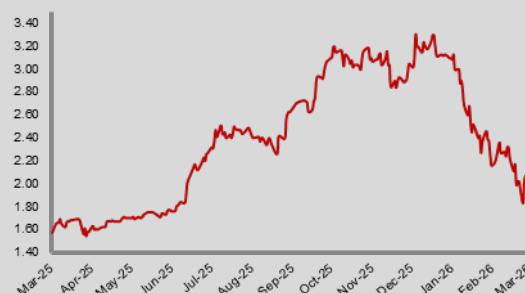
Valuations. We raise our **TP** to **RM3.36** from RM3.21 after incorporating our earnings upgrades. Our TP is based on a sum-of-parts valuation, implying a blended 30x FY27F PER and incorporating a 5% ESG premium.

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

OUTPERFORM ↔

Price : **RM2.70**
Target Price : **RM3.36** ↑

Share Price Performance



KLCI	1,717.69
YTD KLCI chg	2.2%
YTD stock price chg	-18.2%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	SOLAR MK EQUITY
Market Cap (RM m)	2,575.1
Shares Outstanding	953.8
52-week range (H)	3.39
52-week range (L)	1.66
3-mth avg. daily vol.	4,841,099
Free Float	55%
Beta	1.0

Major Shareholders

Atlantic Blue Holdings Sdn Bhd	17.7%
Urusharta Jamaah Sdn Bhd	6.5%
Lim Chin Siu	6.4%

Summary Earnings Table

FYE Mar (RM m)	2026A	2027F	2028F
Turnover	757.0	1,526.6	1,827.8
Operating Profit	126.0	227.7	2,115.2
Profit Before Tax	117.2	129.4	141.5
Net Profit	82.0	105.9	118.2
Core Net Profit	85.0	105.9	118.2
Consensus (NP)	-	103.4	136.7
Earnings Revision	-	3.5%	-
Core EPS (sen)	12.7	14.0	14.1
Core EPS Growth (%)	48.7	24.6	11.6
NDPS (sen)	1.0	0.0	0.0
NTA per Share (RM)	1.0	1.0	0.9
PER (x)	21.9	19.8	19.7
PBV (x)	2.9	2.7	3.0
Net Gearing (x)	(0.2)	(0.1)	0.7
Net Div. Yield (%)	0.4	0.0	0.0

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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.

Results Highlights

FYE Mar (RM m)	4Q26	3Q26	QoQ	4Q25	YoY	FY26	FY25	YoY
Revenue	268.7	181.2	48.3%	224.9	19.5%	757.0	536.8	41.0%
Cost of sales	-195.3	-129.0	51.4%	-168.1	16.2%	-347.8	-387.3	-10.2%
Gross Profit	73.2	52.2	40.2%	56.8	28.9%	140.6	149.5	-6.0%
Other income	7.4	1.6	359.8%	2.7	172.8%	4.2	5.5	-22.5%
Administrative expenses	-37.9	-21.7	74.4%	-28.6	32.3%	-54.6	-67.2	-18.7%
Sales and distribution expenses	-2.2	-2.2	1.6%	-1.2	78.7%	-4.8	-4.1	16.3%
Operating Profit	40.5	29.9	35.3%	29.6	36.6%	126.0	83.7	50.5%
Finance costs	-4.8	-5.2	-6.4%	-4.3	12.2%	-18.1	-12.1	49.0%
Share of profit of an associate	5.3	2.7	93.9%	2.6	100.0%	9.3	2.6	260.6%
Profit before tax	40.9	27.4	49.0%	27.9	46.4%	117.2	74.2	58.0%
Tax expense	-16.1	-5.8	176.9%	-7.8	107.9%	-35.2	-20.8	69.1%
Non-controlling Interests	0.7	0.6	12.6%	-0.4	N.A.	2.3	1.4	62.3%
Net Profit	24.7	21.6	14.5%	20.2	22.7%	82.0	53.3	53.7%
Core Net Profit	25.1	22.7	10.7%	23.9	5.1%	85.0	57.1	48.7%
GP Margin	27%	29%		25%		28%	28%	
Operating Margin	15%	16%		13%		17%	16%	
PBT Margin	15%	15%		12%		15%	14%	
Net Margin	9%	12%		9%		11%	10%	
Core Net Margin	9%	13%		11%		11%	11%	
Effective tax rate	39%	21%		28%		30%	28%	

Source: Company, Kenanga Research

Segmental Breakdown

External Revenue	4Q26	3Q26	QoQ	4Q25	YoY	FY26	FY25	YoY
Investment Holding	-0.6	1.1	-156.7%	0.0	N.A.	0.8	0.0	N.A.
EPCC	246.4	153.4	60.7%	199.5	23.5%	673.6	459.5	46.6%
O&M	6.1	2.0	210.5%	2.4	156.5%	13.9	9.3	49.9%
Sale of Electricity	10.1	8.5	19.2%	7.2	39.9%	34.3	26.4	29.9%
Others	6.6	16.4	-59.3%	15.8	-57.9%	34.5	41.7	-17.2%
Total Revenue	268.7	181.2	48.2%	224.9	19.5%	757.1	536.8	41.0%
PBT Segmentation								
Investment Holding	29.7	3.1	850.9%	0.1	45515.4%	31.8	-0.4	N.A.
EPCC	28.0	16.2	72.7%	24.1	16.3%	88.8	64.0	38.7%
O&M	1.7	-0.1	N.A.	0.2	627.2%	2.7	2.0	31.9%
Sale of Electricity	4.0	3.5	13.3%	1.6	148.1%	13.8	7.4	86.4%
Others	-2.1	5.1	-140.6%	2.1	-201.4%	1.5	1.1	30.5%
Elimination	-20.3	-0.4	5433.1%	-0.1	20151.0%	-21.3	0.0	124906.%
Total PBT	41.0	27.4	49.3%	27.9	46.7%	117.3	74.2	58.1%

Source: Company, Kenanga Research

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

Business/Asset	Value (RM m)	Basis
EPCC	2,215.2	30x FY27F PER
Kee Ming Electrical Manufacturing	33.6	16x FY27F PER
SIW Manufacturing	31.8	10x FY27F PER
LSS4	82.9	DCF with a discount rate of 5.5%
LSS5	39.9	DCF with a discount rate of 5.5%
LSS5+	40.5	DCF with a discount rate of 5.5%
CGPP	23.6	DCF with a discount rate of 5.6%
Brunei	135.6	DCF with a discount rate of 5.6%
Powervest	12.1	DCF with a discount rate of 5.6%
Sarawak Asset	30.4	DCF with discount rate of 5.5%
Brookfield (developer portion)	204.3	
Asset Valuation	2849.9	
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
	3,234.9	
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)	3.20	
ESG premium (RM/share)	0.16	5% based on a 4-star rating
TP after ESG (RM/share)	3.36	

Source: Kenanga Research

Exhibit 2: Solar Module Prices

Module Type (TOPCon Bifacial)	USD/w						YTD (%)	
	Week15	Week16	Week17	Week18	Week19	Week15		Week16
182mm, 72 cells (580-590w)	0.11	0.11	0.11	0.11	0.11	0.11	0.11	13%
210mm, 60 cells (630-655w)	0.11	0.11	0.11	0.11	0.11	0.11	0.11	13%
210mm, 60 cells (700-725w)	0.11	0.11	0.11	0.11	0.11	0.11	0.11	14%
210R, 60 cells (610-635w)	0.12	0.11	0.11	0.11	0.11	0.12	0.11	N.A.

Source: Kenanga Research

Note: RMB-denominated module prices are converted into USD based on the end-of-week RMB/USD exchange rate.

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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.
Stocks Under Coverage																	
CHEEDING HOLDINGS BHD	OP	0.645	0.70	8.5%	514.2	Y	03/2026	4.3	5.3	30.8%	23.5%	15.1	12.2	5.7	48.6%	1.1	1.7%
KAWAN RENERGY BHD	OP	0.500	0.73	46.0%	275.0	Y	10/2026	4.8	6.1	11.9%	27.8%	10.5	8.2	1.9	20.7%	1.4	2.8%
KJTS GROUP BHD	OP	0.745	1.34	79.9%	514.5	Y	12/2026	3.0	3.7	17.0%	21.6%	24.5	20.2	2.2	11.8%	0.6	1.2%
PEKAT GROUP BHD	OP	1.56	1.72	10.3%	1,104.9	Y	12/2026	8.5	9.2	22.4%	7.3%	18.3	17.0	2.7	18.2%	0.0	0.0%
SAMAIDEN GROUP BHD	OP	1.25	1.94	55.2%	657.2	Y	06/2026	6.3	7.5	21.3%	18.8%	19.8	16.6	3.1	17.4%	1.1	0.9%
SOLARVEST HOLDINGS BHD	OP	2.70	3.36	24.4%	2,575.1	Y	03/2027	13.8	15.4	29.1%	11.6%	19.5	17.5	2.6	14.8%	0.0	0.0%
SWIFT ENERGY TECHNOLOGY BHD	OP	0.170	0.47	176.5%	170.1	Y	09/2026	1.3	2.0	-29.3%	53.8%	13.1	8.5	2.2	19.1%	0.0	0.0%
SECTOR AGGREGATE					5,811.2					20.1%	17.1%	20.3	17.3	2.9	21.5%		12.4%

Source: Kenanga Research

Stock ESG Ratings:

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

☆ 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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