

23 June 2026

YTL Power International

YTL Data Centre: Field Report 2.0

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Yesterday, we had our second site visit to the YTL Data Centre Park in Johor, and we are highly encouraged by the substantial progress made over the past 1.5 years. Total capacity is expected to double to 600 MW by the end of next year from the current contracted 298 MW, with potential for an additional 600 MW in future phases. Meanwhile, the 215 MWac solar facility (part of a broader 500 MWac plan) remains on track for completion by the end of this year. We maintain our earnings forecasts and SoP-derived TP of RM4.55, which currently accounts only for the contracted capacity pipeline. Potentially, the second 300 MW expansion phase represents a potent upside of RM1.25 to our valuation. **OUTPERFORM** maintained.

We visited YTL Data Centre Park yesterday. The key observations are as follows:

- **Rapid capacity expansion:** Total data centre capacity is projected to reach c.600 MW by end-CY27. Building on the current contracted 298 MW (188 MW operational plus 110 MW ready by end-FY27), an additional 300 MW will be completed by the end of next year, according to management
- **AI vs. co-location focus:** Of the contracted 298 MW, only 7.5 MW features Nvidia-partnered AI infrastructure. The remainder is dedicated to the co-lo leasing model, which remains the primary focus for future developments. Total capex spent on these projects to date stands at RM8.2b.
- **Accelerated construction timelines:** Surging demand has compressed construction timelines significantly from 24 months, to 18 months, and now down to just 12 months. The campus retains sufficient land bank to support a further 600 MW in future phases (timeline unconfirmed), all of which underpins a potential data centre IPO.
- **Secured power infrastructure:** It has signed a 300 MW Electricity Supply Agreement (ESA) with **TENAGA (OP; TP: RM17.00)**, with an additional 300 MW ESA currently pending. To meet green energy requirements, its 70%-owned subsidiary, SIPP, is constructing an off-grid, battery-less 215 MWac solar facility to supply clean power directly to co-lo clients. This is part of a broader 500 MWac plan.

Our view: We are highly encouraged by the substantial progress made since our first visit in Dec 2024. In just 18 months, the campus has evolved from having a single operational asset (JDC1) and two under construction (JDC2, JDC3) to four fully completed and running data centres (JDC1, JDC2, JDC3, and JDC6). Furthermore, the new 110 MW expansion is actively under construction, and the supporting solar farm remains on track for completion by the end of this year. The well-structured land plot layout clearly accommodates future expansion phases. We concur with management's guidance that meaningful earnings contributions from the data centre segment will materialise in FY28 once the initial 298 MW capacity is fully operational.

Forecasts. We maintain our FY26–FY27 earnings forecasts for the time being. Our current projections account for only the 188 MW of operational capacity, as the remaining 110 MW will only begin impacting earnings in FY28.

OUTPERFORM ↔

Price: RM4.20
Target Price: RM4.55 ↔

Share Price Performance



| | |
|---------------------|----------|
| KLCI | 1,700.84 |
| YTD KLCI chg | 1.2% |
| YTD stock price chg | 26.9% |

Stock Information

| | |
|-----------------------|------------|
| Shariah Compliant | No |
| Bloomberg Ticker | YTLP MK |
| Market Cap (RM m) | 36,380.6 |
| Shares Outstanding | 8,662.1 |
| 52-week range (H) | 4.36 |
| 52-week range (L) | 2.59 |
| 3-mth avg. daily vol. | 13,744,230 |
| Free Float | 33% |
| Beta | 1.5 |

Major Shareholders

| | |
|--------------------------------|-------|
| YTL Corp Bhd | 45.9% |
| Employees Provident Fund Board | 12.3% |
| Yeoh Tiong Lay & Son | 9.5% |

Summary Earnings Table

| FY June (RM m) | 2025 | 2026F | 2027F |
|------------------------|--------------|--------------|--------------|
| Turnover | 21,807 | 24,039 | 25,988 |
| EBIT | 4,823 | 4,217 | 4,088 |
| PBT | 3,153 | 2,698 | 2,661 |
| Net Profit (NP) | 2,398 | 2,115 | 2,086 |
| Core Net Profit | 2,900 | 2,115 | 2,086 |
| Consensus (NP) | - | 2,052 | 2,313 |
| Earnings Revision (%) | - | - | - |
| Core EPS (sen) | 33.6 | 24.5 | 24.1 |
| Core EPS Growth (%) | -13.7 | -27.1 | -1.4 |
| NDPS (sen) | 8.0 | 8.0 | 8.0 |
| BV/Share (RM) | 2.47 | 2.64 | 2.80 |
| NTA/Share (RM) | 1.42 | 1.43 | 1.61 |
| Core PER (x) | 11.9 | 17.2 | 17.4 |
| PBV (x) | 1.61 | 1.59 | 1.50 |
| P/NTA (x) | 2.80 | 2.93 | 2.61 |
| Gearing (x) | 1.21 | 1.14 | 1.04 |
| Dividend Yield (%) | 2.0 | 1.9 | 1.9 |

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Valuations. We maintain our SoP-based TP of RM4.55, which factors in only the contracted 298 MW capacity. Incorporating the second 300 MW expansion phase could potentially add RM1.25 to our valuation, raising the SoP-derived TP to RM5.80. However, it is embarking on building ahead of securing off-taker which could be subject to risk of capacity utilisation not filled up, we leave our valuation unchanged for now. No adjustments have been made to our TP based on ESG considerations, which currently reflect a 3-star rating as assessed by us (see Page 5)

Investment case. We continue to like YTLPOWER for: (i) its earnings stability backed by various regulated assets globally, and, (ii) its longer-term growth potential driven by its data centre and digital banking ventures. Maintain **OUTPERFORM**.

Risks to our recommendation include: (i) stringent ESG standards in developed markets, (ii) regulatory risk in the power sector in Singapore, (iii) the new data centre business fails to take off, (iv) sustained losses at YES, and (v) the AI diffusion rules unfavourable to its AI data centre business.

| YTLPOWER's Sum-of-Parts Valuation | | | |
|-----------------------------------|---------------|------------|------------------------------------|
| Unit | Valuation | | Basis |
| | (RM m) | (RM/share) | |
| Singapore IPP | 13,301 | 1.54 | FCFF @ 5.9% discount rate |
| Wessex | 13,353 | 1.55 | FCFF @ 5.9% discount rate; TG: 1% |
| Yes | 2,006 | 0.23 | FY25A book value |
| Data Centre | 10,700 | 1.24 | RM79m EV per MW @ 298MW capacity |
| Ranhill Utilities | 1,354 | 0.16 | 57.1% equity stake at market price |
| New IPP | 1,421 | 0.16 | FCFF @ 6.8% discount rate |
| Other Investment | 1,793 | 0.21 | FY25A book value |
| Net Cash/(Debt) | -4,589 | -0.53 | Estimated FY26F |
| | 39,339 | 4.55 | |
| Issued Share | 8,641 | | |
| TP | RM4.55 | | |

Source: Kenanga Research

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| Income Statement | | | | | | Financial Data & Ratios | | | | | |
|-------------------|-------|-------|-------|-------|-------|--------------------------|---------|---------|---------|---------|---------|
| FYE Jun (RM m) | 2023 | 2024 | 2025 | 2026F | 2027F | FYE Jun | 2023 | 2024 | 2025 | 2026F | 2027F |
| Turnover | 21890 | 22321 | 21807 | 24039 | 25988 | Growth (%) | | | | | |
| EBITDA | 4943 | 6860 | 6029 | 5804 | 5735 | Turnover | 22.6 | 2.0 | -2.3 | 10.2 | 8.1 |
| Depreciation | -1283 | -1329 | -1206 | -1588 | -1646 | EBITDA | 92.9 | 38.8 | -12.1 | -3.7 | -1.2 |
| Operating Profit | 3660 | 5531 | 4823 | 4217 | 4088 | Operating Profit | 177.9 | 51.1 | -12.8 | -12.6 | -3.0 |
| Interest Expense | -1580 | -1785 | -1544 | -1888 | -1798 | PBT | 49.2 | 68.0 | -23.4 | -14.4 | -1.4 |
| Associate | 332 | 265 | 376 | 369 | 370 | Net Profit | 316.6 | 68.8 | -13.7 | -27.1 | -1.4 |
| Exceptional Items | 37 | 104 | -502 | 0 | 0 | | | | | | |
| PBT | 2450 | 4115 | 3153 | 2698 | 2661 | Profitability (%) | | | | | |
| Taxation | -417 | -604 | -630 | -540 | -532 | EBITDA | 22.6 | 30.7 | 27.6 | 24.1 | 22.1 |
| Minority Interest | -5 | -46 | -125 | -43 | -43 | Operating Profit | 16.7 | 24.8 | 22.1 | 17.5 | 15.7 |
| Net Profit | 2028 | 3464 | 2398 | 2115 | 2086 | PBT | 11.2 | 18.4 | 14.5 | 11.2 | 10.2 |
| Core Net Profit | 1991 | 3360 | 2900 | 2115 | 2086 | Net Profit | 9.3 | 15.5 | 11.0 | 8.8 | 8.0 |
| | | | | | | Effective Tax Rate | 17.0 | 14.7 | 20.0 | 20.0 | 20.0 |
| | | | | | | ROA | 3.1 | 3.9 | 2.6 | 5.3 | 5.1 |
| | | | | | | ROA | 12.9 | 18.8 | 11.6 | 9.6 | 8.9 |
| | | | | | | | | | | | |
| | | | | | | DuPont Analysis | | | | | |
| | | | | | | Net margin (%) | 9.3 | 15.5 | 11.0 | 8.8 | 8.0 |
| | | | | | | Assets Turnover (x) | 0.43 | 0.38 | 0.32 | 0.32 | 0.34 |
| | | | | | | Leverage Factor (x) | 3.52 | 3.53 | 3.38 | 3.51 | 3.35 |
| | | | | | | ROE (%) | 13.9 | 20.7 | 12.0 | 9.9 | 9.2 |
| | | | | | | | | | | | |
| | | | | | | Leverage | | | | | |
| | | | | | | Debt/Asset (x) | 0.54 | 0.53 | 0.48 | 0.51 | 0.49 |
| | | | | | | Debt/Equity (x) | 1.90 | 1.88 | 1.62 | 1.78 | 1.65 |
| | | | | | | Net Debt/(Cash) (RM m) | -22,485 | -23,554 | -25,742 | -25,869 | -25,167 |
| | | | | | | Net Debt/Equity (x) | 1.34 | 1.17 | 1.21 | 1.14 | 1.04 |
| | | | | | | | | | | | |
| | | | | | | Valuations | | | | | |
| | | | | | | EPS (sen) | 23.0 | 38.9 | 33.6 | 24.5 | 24.1 |
| | | | | | | NDPS (sen) | 6.0 | 7.0 | 8.0 | 8.0 | 8.0 |
| | | | | | | BV/share (RM) | 1.94 | 2.32 | 2.47 | 2.64 | 2.80 |
| | | | | | | NTA (RM) | 1.05 | 1.30 | 1.42 | 1.43 | 1.61 |
| | | | | | | PER (x) | 5.6 | 12.4 | 11.9 | 17.2 | 17.4 |
| | | | | | | Net Yield (%) | 4.6 | 1.5 | 2.0 | 1.9 | 1.9 |
| | | | | | | PBV (x) | 0.67 | 2.08 | 1.61 | 1.59 | 1.50 |
| | | | | | | P/NTA (x) | 1.24 | 3.72 | 2.80 | 2.93 | 2.61 |
| | | | | | | EV/EBITDA (x) | 22.0 | 9.5 | 10.0 | 10.7 | 10.7 |

Source: Kenanga Research

Peer Table Comparison

| Name | Rating | Last Price (RM) | Target Price (RM) | Upside | Market Cap (RM m) | Shariah Compliant | 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 | 0.670 | 0.790 | 17.9% | 534.2 | Y | 03/2027 | 5.1 | 5.6 | 1.2% | 8.8% | 13.1 | 12.1 | 3.0 | 25.8% | 1.3 | 1.9% |
| GAS MALAYSIA BHD | MP | 5.30 | 5.23 | -1.3% | 6,805.2 | Y | 12/2026 | 31.7 | 32.1 | 5.6% | 1.3% | 16.7 | 16.5 | 4.1 | 25.4% | 25.3 | 4.8% |
| KEEMING GROUP BHD | OP | 1.47 | 1.80 | 22.4% | 477.8 | Y | 03/2027 | 8.6 | 10.2 | 21.7% | 17.9% | 17.1 | 14.5 | 4.6 | 33.9% | 0.0 | 0.0% |
| KAWAN RENERGY BHD | OP | 0.505 | 0.730 | 44.6% | 277.8 | Y | 10/2026 | 4.8 | 6.1 | 11.9% | 27.8% | 10.6 | 8.3 | 2.0 | 20.7% | 1.4 | 2.8% |
| KJTS GROUP BHD | OP | 0.785 | 1.34 | 70.7% | 542.1 | Y | 12/2026 | 3.1 | 3.9 | 18.7% | 25.9% | 25.5 | 20.2 | 2.3 | 11.8% | 0.6 | 0.8% |
| MALAKOFF CORP BHD | OP | 0.895 | 1.00 | 11.7% | 4,373.8 | Y | 12/2026 | 3.6 | 4.8 | 58.2% | 32.9% | 25.0 | 18.8 | 1.0 | 3.9% | 2.9 | 3.2% |
| PEKAT GROUP BHD | OP | 1.64 | 1.91 | 16.5% | 1,161.8 | Y | 12/2026 | 8.7 | 10.0 | 24.4% | 14.4% | 18.9 | 16.5 | 2.8 | 18.6% | 0.0 | 0.0% |
| PETRONAS GAS BHD | MP | 17.34 | 18.80 | 8.4% | 34,311.2 | Y | 12/2026 | 95.9 | 97.2 | 12.1% | 1.4% | 18.1 | 17.8 | 2.3 | 13.1% | 72.0 | 4.2% |
| SAMAIDEN GROUP BHD | OP | 1.31 | 1.94 | 48.1% | 731.5 | Y | 06/2026 | 6.3 | 7.5 | 21.3% | 18.8% | 20.7 | 17.4 | 3.2 | 17.4% | 1.1 | 0.8% |
| SOLARVEST HOLDINGS BHD | OP | 3.02 | 3.36 | 11.3% | 2,892.6 | Y | 03/2027 | 13.8 | 15.4 | 29.1% | 11.6% | 21.9 | 19.6 | 3.0 | 14.8% | 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% |
| TENAGA NASIONAL BHD | OP | 14.50 | 17.00 | 17.2% | 84,522.6 | Y | 12/2026 | 85.6 | 88.1 | 2.9% | 2.8% | 16.9 | 16.5 | 1.3 | 7.8% | 50.8 | 3.5% |
| YTL POWER INTERNATIONAL BHD | OP | 4.20 | 4.55 | 8.3% | 36,380.6 | N | 06/2026 | 24.5 | 24.1 | -27.1% | -1.4% | 17.2 | 17.4 | 1.6 | 9.6% | 8.0 | 1.9% |
| Sector Aggregate | | | | | 173,206.4 | | | | | -3.1% | 2.6% | 17.6 | 17.2 | 2.6 | 17.1% | | 1.8% |

Source: Kenanga Research

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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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