UOBKayHian

Country Daily | Malaysia

Thursday, 20 August 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53,463.1	0.2	(0.6)	2.5	11.2
S&P 500	7,708.0	0.2	(0.5)	3.4	12.6
FTSE 100	10,743.4	0.1	(0.8)	2.1	8.2
AS30	9,255.2	(0.2)	(1.6)	3.1	2.6
CSI 300	4,588.7	(2.9)	(2.2)	(0.2)	(0.9)
FSSTI	5,694.2	(0.1)	(0.5)	3.6	22.6
HSCEI	8,471.2	0.2	0.3	1.1	(5.0)
HSI	25,495.1	0.1	0.2	3.8	(0.5)
JCI	6,394.1	(0.9)	2.0	2.6	(26.1)
KLCI	1,731.3	(0.1)	(0.6)	0.5	3.0
KOSPI	6,471.2	(5.8)	2.0	(0.7)	53.6
Nikkei 225	65,326.4	(3.2)	(3.3)	1.8	29.8
SET	1,609.8	(0.7)	(0.2)	(2.2)	27.8
TWSE	44,719.4	(1.3)	(1.8)	5.3	54.4
BDI	2,776	(1.4)	(5.5)	0.9	47.9
CPO (RM/mt)	4,548	0.5	0.0	1.2	15.6
Brent Crude (US$/bbl)	92	0.7	3.0	4.0	50.6

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep
Analyst Marketing by Julia Pan on Greater China Internet Sector	Malaysia	09 Sep	11 Sep

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Trade Balance	Malaysia	20 Aug
Foreign Reserves	Malaysia	21 Aug

Top Stories

Company Results | Genting Plantations (GENP MK/**HOLD**/RM5.60/Target: RM6.10)

Page 3 →

- GENP's 1H26 results beat expectations, as 2Q26 core net profit doubled yoy to RM141m, driven by strong FFB production growth and improved downstream performance. Management expects the production momentum to sustain in 2H26 while impact from the current dry weather conditions can only be observed in 2027. Maintain HOLD with a higher target price of RM6.10 (previously RM5.44).

Company Results | Pekat Group (PEKAT MK/**BUY**/RM1.77/Target: RM2.00)

Page 6 →

- Pekat reported a robust 2Q26 net profit of RM14m (+29% yoy; +14% qoq), driven by: a) healthy progress of its utility-scale EPCC project, b) robust ELP project execution, and c) record-high revenue contributions from 60%-owned EPE Switchgear. Pekat declared a 1 sen net DPS in the current quarter, well within our expectations. Pekat's orderbook currently stands at a record RM908m. Maintain BUY with a target price of RM2.00.

Company Results | Solarvest Holdings (SOLAR MK/**BUY**/RM3.03/Target: RM3.50)

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- 1QFY27 was a sequentially weaker quarter. Solarvest reported a net profit decline of 21% qoq to RM19.0m (+20% yoy) due to slower EPCC progress in the quarter, while yoy growth was driven by higher income from the group's solar assets. We deem the results in line with expectations as EPCC progress billing will drive the upcoming quarters' earnings. Orderbook is impressive at RM2.4b, underscoring earnings visibility well into FY29. Maintain BUY with a target price of RM3.50.

Company Results | SP Setia (SPSB MK/**BUY**/RM0.845/Target: RM1.06)

Page 12 →

- SP Setia's results were below our expectations due to lower-than-expected residential revenue recognition. While residential demand is softer, management expects to bridge the gap with higher sales contributions from the industrial and commercial segments, which typically generate higher margins. Maintain BUY with a lower target price of RM1.06. While the REIT listing is now targeted for 2Q27 (from 1Q27 previously), investor sentiment could improve gradually on faster monetisation from industrial and commercial landbank.

Market Spotlight

Page 15 →

- Despite opening higher, the FBMKLCI gradually trended down and closed marginally lower at 1,731.32 (-2.04pt, -0.12%).
- US stocks were higher after the close on Wednesday, as gains in the healthcare, consumer goods and basic materials sectors led shares higher.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 16 →

Traders' Corner Page 18 →

Icapital.biz | ICAP MK Page 18 →

- Trading Buy Range: RM2.52-2.53

Kossan Rubber Industries | KRI MK Page 18 →

- Trading Buy Range: RM1.16-1.17

Ocean Vantage Holdings | OVH MK Page 19 →

- Trading Buy Range: RM0.27-0.28

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Company Results | Malaysia

Thursday, 20 August 2026

Genting Plantations (GENP MK)

1H26: Above Expectations; FFB Production Momentum To Sustain

Highlights

- GENP's 1H26 core net profit came in above expectations, at 52/56% of our/consensus full-year forecasts, driven by strong FFB production and improved downstream performance.
- Management revised up its FFB production growth guidance from 3-5% to 5-10%, expecting the momentum to sustain in 2H26. However, the current dry weather condition in Indonesia could pose downside risk to next year's production.
- We raise our 2026-27 earnings forecasts by 8%/4% following an upward revision to our FFB production assumption. Maintain HOLD with a higher target price of RM6.10 (previously RM5.44), pegged to 13x 2027F PE.

1H26 Results

Year to 31 Dec	2Q26 (RMm)	2Q25 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg
Revenue	996.8	767.0	38.4	30.0	1,717.0	15.5
Adjusted EBITDA	302.2	208.8	52.2	44.7	500.7	9.2
Plantation	267.1	201.9	43.6	32.3	453.1	2.6
Property Development	20.6	19.0	160.8	8.4	28.5	15.4
Downstream Manufacturing	11.3	(7.8)	121.6	250	16.4	890
Net Profit	141.0	192.6	107.1	(26.8)	209.0	(17.7)
Core Net Profit	141.9	58.0	132.0	145.0	203.0	14.0
Margin	%	%	+/- ppt	+/- ppt	%	+/- ppt
EBITDA	30.3	27.2	10.0	11.3	29.2	(5.4)
Core Net Profit	14.2	7.5	67.6	88.2	11.9	(1.3)

Source: GENP, UOB Kay Hian

Analysis

- **Above expectations.** Genting Plantations' (GENP) 1H26 core net profit of RM203m (+14% yoy) beat our expectation, accounting for 52%/56% of our and consensus full-year estimates, driven by strong FFB production (+9% yoy) and better-than-expected downstream earnings.
- 2Q26 earnings more than doubled yoy to RM141.9m, mainly due to increased FFB production (+12%) and improved sales volumes in the downstream segment which helped to turn this segment profitable. Earnings rose sharply qoq due to higher realised CPO prices of RM3,758 per tonne (+4%) on top of seasonally stronger FFB production, as well as higher contribution from the property segment.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	2,937.9	3,367.6	3,663.5	3,738.0	3,866.2
EBITDA	845.0	942.2	966.4	957.6	979.5
Operating profit	520.7	636.9	670.0	658.4	677.2
Net profit (rep./act.)	323.1	354.5	425.0	420.7	437.2
Net profit (adj.)	323.3	381.3	425.0	420.7	437.2
EPS	36.0	39.5	47.4	46.9	48.7
PE (x)	15.6	14.2	11.8	11.9	11.5
P/B (x)	1.0	1.0	1.0	1.0	1.0
EV/EBITDA (x)	6.5	6.1	6.0	6.1	6.0
Dividend yield (%)	4.5	5.0	5.2	5.4	5.7
Net margin (%)	11.0	10.5	11.6	11.3	11.3
Net debt/(cash) to equity (%)	25.4	32.5	33.3	33.8	34.5
Interest cover (x)	4.9	5.7	6.1	6.1	6.3
ROE (%)	6.1	6.9	8.5	8.4	8.8
Consensus net profit	n.a.	n.a.	360	363	365
UOBKH/Consensus (x)	n.a.	n.a.	1.2	1.2	1.2

Source: GENP, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	RM5.60
Target Price	RM6.10
Upside	8.8%
Previous TP	RM5.44

Stock Data

Sector	Consumer Staples
Bloomberg ticker	GENP MK
Shares issued (m)	897.4
Market cap (RMm)	5,025.2
Market cap (US$m)	1238.0
3-mth avg daily t'over (US$m)	5.0

Price Performance (%)

52-week high/low				RM5.77RM4.76
1mth	**3mth**	**6mth**	**1yr**	**YTD**
(1.8)	6.9	9.6	13.1	11.8

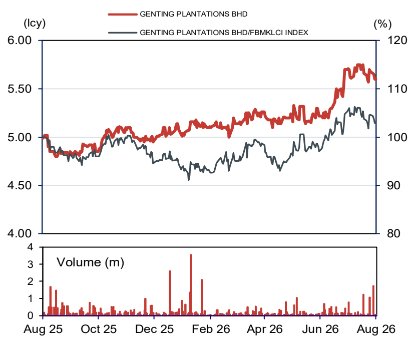
Major Shareholders (%)

Genting Bhd	53.6
Employees Provident Fund	15.4

Balance Sheet Metrics

FY26 NAV/Share (RM)	5.50
FY26 Net Debt/Share (RM)	17.4

Price Chart



Source: Bloomberg

Company Description

Palm oil company with a total landbank of 64,100 ha in Malaysia and 179,100 ha in Indonesia.

- **FFB production growth is expected to sustain in 2H26.** The group's 7M26 FFB production rose 11% yoy, driven by both of its Sabah estates, due to recovery from previous year's low crop cycle, and Indonesia estates from improved yield and favourable weather for harvesting. Sequentially, management has raised its FFB production growth guidance for 2026 from 3-5% to 5-10% yoy. However, its Kalimantan estates have been experiencing dry weather conditions since Jun 26, which could bring risk to next year's production level.
- **Anticipate higher fertiliser costs in 2H26.** Production cost eased to RM2,140 per tonne in 2Q26 and RM2,250 per tonne in 1H26 (-11% yoy) following higher FFB production. However, we expect higher cost of production in 2H26 due to an increase in fertiliser prices and higher fertiliser application. We note that GENP has secured its 2H26 fertiliser requirement at higher prices of 20-25% while its fertiliser application was at 30% of the full-year requirement as of 1H26.
- **Positive outlook on the property segment.** Property sales improved to RM80m due to higher progress billing after a soft start in 1Q26. Unbilled sales trended lower to RM179m (1Q26: RM296m) following a large sales recognition in 2Q26. GENP is planning to launch its next phase of property projects, potentially worth over RM500m in GDV in 2H26, which should support medium-term earnings visibility for the segment. Additionally, management expects improving performance from Jakarta Premium Outlets, possibly breakeven in 2H26, driven by higher tenant sales and footfalls.
- The downstream segment delivered a strong performance with EBITDA of RM11.3m, which was a turnaround from losses in the previous year. This was mainly attributed to higher sales volume and improved margin, where GENP managed to secure high margin sales during the period of price volatility due to the Middle-East conflict. While we expect the segment's margin to normalise in 2H26, management still foresees a possibility of this situation recurring due to heightened volatility in the current market. Nonetheless, the group maintained its structurally challenging outlook amid overcapacity and intense competition from Indonesian refineries.

Valuation/Recommendation

- **Maintain HOLD with a higher target price of RM6.10** (previously RM5.44), pegged to 13x 2027F PE (-1SD to five-year average PE of 17x) on our revised earnings forecast. We view the current valuation as fair and as having largely priced in the recovery in the group's FFB production, while cost pressure and downside risk to next year's production could cap further upside on share price.

Earnings Revision/Risk

- **We revise up our 2026/27 earnings forecasts by 8%/4% respectively,** after raising our FFB production growth assumption from 5% to 9% yoy but maintain CPO production cost at RM2,600 per tonne due to expectation of higher fertiliser costs in 2H26.

Operational Highlights

	2Q26	qoq (%)	yoy (%)	1H26	yoy (%)
FFB production ('000 tonnes)	560	22.5	12.4	1,017	8.9
CPO Price (RM/tonne)	3,758	3.9	(1.2)	3,694	(7.2)
PK Price (RM/tonne)	3,478	10.1	2.2	3,329	(0.8)

Source: GENP

FFB Production Trend

Source: GENP

Environmental, Social And Governance (ESG)

Environmental

- Committed to "Zero-burning Policy" for all land-clearing activities as well as No Deforestation, No Peat and No Exploitation ("NDPE") Policy.
- Recycled about 1,133m mt of biomass and reduced water consumption by 31%.

Social

- Provided educational support to 119 schools situated within plantation areas in Malaysia and Indonesia.
- Enabled smallholders' access to certified markets through RM1.00/mt premium for certified FFB and buyer-linked physical uptake incentives.

Governance

- Transparent governance along with an Anti-Bribery and Anti Corruption Policy

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**3,367.6**	**3,663.5**	**3,738.0**	**3,866.2**
EBITDA	942.2	966.4	957.6	979.5
Deprec. & amort.	(305.4)	(296.3)	(299.2)	(302.3)
EBIT	636.9	670.0	658.4	677.2
Associate contributions	33.1	36.4	41.9	48.1
Net interest income/(expense)	(74.0)	(80.6)	(80.7)	(81.5)
Pre-tax profit	**569.2**	**625.9**	**619.6**	**643.8**
Tax	(200.7)	(187.8)	(185.9)	(193.2)
Minorities	(14.0)	(13.1)	(13.0)	(13.5)
Net profit	**354.5**	**425.0**	**420.7**	**437.2**
Net profit (adj.)	381.3	425.0	420.7	437.2

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	4,215.0	4,251.5	4,297.0	4,339.7
Other LT assets	2,408.7	2,470.6	2,457.0	2,442.9
Cash/ST investment	1,186.2	1,144.0	1,118.5	1,081.7
Other current assets	1,206.4	1,294.4	1,327.0	1,381.4
Total assets	**9,016.3**	**9,160.5**	**9,199.6**	**9,245.8**
ST debt	571.6	571.6	571.6	571.6
Other current liabilities	647.9	754.9	781.0	803.8
LT debt	2,135.2	2,135.2	2,135.2	2,135.2
Other LT liabilities	671.6	707.2	720.1	743.6
Shareholders' equity	4,992.7	4,994.2	4,994.2	4,994.2
Minority interest	35.6	35.6	35.6	35.6
Total liabilities & equity	**9,016.3**	**9,160.5**	**9,199.6**	**9,245.8**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**3,598**	**4,437**	**3,917**	**3,670**
Pre-tax profit	3,530	3,210	2,965	3,070
Tax	(842)	(855)	(802)	(891)
Deprec. & amort.	1,439	1,591	1,591	1,591
Working capital changes	(510)	325	(8)	(273)
Other operating cashflows	(19)	167	171	173
Investing	**(1,668)**	**(1,184)**	**(1,196)**	**(1,184)**
Capex (maintenance)	(2,125)	(2,000)	(2,000)	(2,000)
Investments	(365)	2	2	2
Proceeds from sale of assets	711	800	800	800
Others	111	14	2	14
Financing	**(1,943)**	**(3,009)**	**(2,948)**	**(2,958)**
Dividend payments	(1,346)	(1,519)	(1,458)	(1,468)
Issue of shares	0	0	0	0
Proceeds from borrowings	(95)	0	0	0
Loan repayment	(502)	10	10	10
Others/interest paid	**(13)**	**245**	**(227)**	**(472)**
Net cash inflow (outflow)	**625**	**624**	**863**	**630**
Beginning cash & cash equivalent	12	(6)	(6)	(6)
Changes due to forex impact	**624**	**863**	**630**	**152**
Ending cash & cash equivalent	**3,598**	**4,437**	**3,917**	**3,670**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	28.0	26.4	25.6	25.3
Pre-tax margin	16.9	17.1	16.6	16.7
Net margin	10.5	11.6	11.3	11.3
ROA	4.9	5.6	5.5	5.7
ROE	6.9	8.5	8.4	8.8
Growth				
Turnover	14.6	8.8	2.0	3.4
EBITDA	11.5	2.6	(0.9)	2.3
Pre-tax profit	18.4	10.0	(1.0)	3.9
Net profit	9.7	19.9	(1.0)	3.9
Net profit (adj.)	9.7	19.9	(1.0)	3.9
EPS	9.7	19.9	(1.0)	3.9
Leverage				
Debt to total capital	31.1	30.6	30.5	30.4
Debt to equity	56.2	56.2	56.2	56.2
Net debt/(cash) to equity	32.5	33.3	33.8	34.5
Interest cover	5.7	6.1	6.1	6.3

Pekat Group (PEKAT MK)

2Q26: In Line; Growing Revenue Mix Leads To Margin Expansion

Highlights

- Pekat reported robust 2Q26 net profit of RM14.2m, driven by: a) healthy progress of its utility-scale EPCC project, b) robust ELP project execution and elevated trading orders;,and c) record revenue from EPE Switchgear.
- Pekat declared a 1 sen net DPS in the current quarter, well within our expectations. Pekat's orderbook currently stands at a record RM908m.
- BUY on weakness with a target price of RM2.00, based on 25x PER and 2026 EPS of 8.0 sen.

2Q26 Results

Year to 31 Dec	2Q26 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg
Revenue	**175.4**	**4.5**	**38.1**	**343.3**	**23.8**
Gross Profit	40.6	8.2	14.8	78.1	5.6
EBIT	22.7	15.7	22.2	42.3	8.8
Profit Before Tax	21.7	16.4	25.6	40.3	10.0
Core Net Profit	**14.2**	**14.2**	**28.8**	**26.6**	**15.3**
Segmental Revenue					
Solar Photovoltaics	84.0	(18.7)	34.2	187.4	20.6
ELP	24.9	61.9	67.2	40.2	29.5
Trading	19.7	20.4	33.8	36.0	28.1
Power Distribution Equipment	46.9	42.9	34.7	79.7	27.1
Total	**175.4**	**4.5**	**38.1**	**343.3**	**23.8**

Source: Pekat, UOB Kay Hian

Analysis

- **1H26: In line.** Pekat Group (Pekat) reported strong 2Q26 net profit of RM14m (+29% yoy; +14% qoq). Earnings were driven by: a) healthy progress of its utility-scale EPCC project, b) robust ELP project execution (primarily from data centre jobs), and c) strong revenue contribution from EPE Switchgear (+35% yoy; +43% qoq). The higher revenue mix from EPE Switchgear contributed to the group's qoq net margin expansion to 8.1%. 1H26 net profit of RM27m makes up 49% and 48% of house and street estimates respectively.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	287.0	609.9	684.3	802.0	879.8
EBITDA	38.9	82.0	145.0	160.2	185.6
Operating profit	36.5	74.1	89.6	104.4	122.1
Net profit (rep./act.)	22.0	45.0	54.2	64.2	77.3
Net profit (adj.)	22.0	44.9	54.2	64.2	77.3
EPS	3.4	6.3	7.7	9.1	10.9
PE (x)	51.9	27.9	23.1	19.5	16.2
P/B (x)	5.8	3.6	2.5	1.9	1.5
EV/EBITDA (x)	34.1	16.7	8.7	7.1	5.5
Dividend yield (%)	0.0	0.6	0.6	0.6	0.6
Net margin (%)	7.7	7.4	7.9	8.0	8.8
Net debt/(cash) to equity (%)	19.2	20.5	(7.2)	(25.9)	(36.3)
Interest cover (x)	40.6	15.3	12.4	15.7	21.8
ROE (%)	11.3	13.0	10.8	9.6	9.1
Consensus net profit	n.a.	n.a.	684.3	802.0	879.8
UOBKH/Consensus (x)	n.a.	n.a.	0.8	0.8	0.9

Source: Pekat, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM1.77
Target Price	RM2.00
Upside	13.0%

Stock Data

Sector	Industrials
Bloomberg ticker	PEKAT MK
Shares issued (m)	706.3
Market cap (RMm)	1,255.0
Market cap (US$m)	309.1
3-mth avg daily t'over (US$m)	0.4

Price Performance (%)

52-week high/low				RM1.90/RM1.11
1mth	**3mth**	**6mth**	**1yr**	**YTD**
(2.2)	15.7	42.7	13.5	12.0

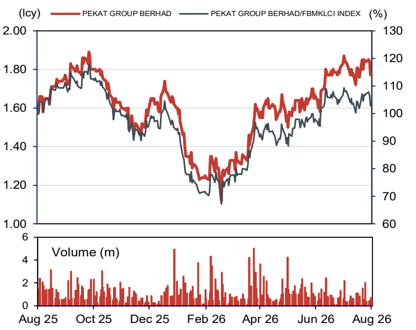
Major Shareholders (%)

Chin Soo Mau	31.7
Tai Yee Chee	8.0
AIA Bhd	4.4

Balance Sheet Metrics

FY26 NAV/Share (RM)	0.7
FY26 Net Debt/Share (RM)	0.1

Price Chart



Source: Bloomberg

Company Description

Pekat Group is an established solar PV and earthing & lightning protection solutions provider based in Malaysia.

- **Dividend.** Pekat declared an interim 1 sen net DPS in the current quarter, well within our expectations. This reflects its commitment towards active capital management. Management aims for a sustainable annual dividend payout over 2026-28, subject to any extraordinary expenditures relating to M&A activities within the wider power equipment industry (transformer business), district cooling solutions as well as solar asset ownership.
- **A sequentially weaker quarter for solar PV segment.** The solar photovoltaics (PV) division recorded a sequentially weaker 2Q26 top-line of RM84m (+34% yoy; -19% qoq wrong). YOY, revenue was driven by progress on its Corporate Green Power Programme (CGPP) project and EPCC contract in Johor.
- **The earthing, lighting and protection (ELP) division reported a record-high revenue of RM25m** (+67% yoy; +62% qoq). underpinned by strong project delivery, primarily from data centre jobs. Pekat was recently awarded two data centre-related ELP system contract worth RM47m, expanding its ELP orderbook to a record high of RM239m.
- **Record-high contribution from 60%-owned EPE Switchgear.** The power distribution equipment (PDE) division saw its 2Q26 revenue surge to RM47m (+35% yoy; +43% qoq), accounting for 27% of total group revenue. The quarter reflected its increased sales order fulfilment, primarily consisting of Tenaga Nasional Berhad (TNB) tenders for the supply of low- and medium-voltage switchgears. The segment's orders have emerged as Pekat's largest orderbook constituent, making up 39% of its RM908m record orderbook.

Valuation/Recommendation

- **BUY on weakness with a target price of RM2.00.** We peg our fair value to 25x 2026F PE (+1SD from mean PE) and 2026 EPS of 8.0 sen, considering bright prospects for Pekat with a commendable three-year (2025-28) earnings CAGR of 20%. Importantly, we expect Pekat to demonstrate the capability to pull away from competition with its strong execution track record, well-diversified revenue drivers and stellar cost management.

Earnings Revision/Risk

- No changes to earnings.

Share Price Catalyst

- **Record orderbook of RM908m.** The combined orderbook of the solar, power distribution equipment (EPE Switchgear), and ELP divisions currently stands at a record RM908m. The group reiterated bright prospects for 2026, highlighting: a) strong earnings visibility and a burgeoning orderbook in the solar division, b) a healthy data centre pipeline for the ELP segment, c) elevated revenue contribution from switchgear project delivery, and d) elevated EPCC jobs from LSS6 and C&I projects under Solar ATAP as well as off-grid projects in Sabah and Sarawak under Budget 2026.

Environment, Social, Governance (ESG) Updates

Environmental

- Pekat installed solar PV systems with a cumulative capacity of 230.7MWp for its customers in 2025, resulting in an impressive estimated reduction of 260,727 tonnes of carbon dioxide emissions.

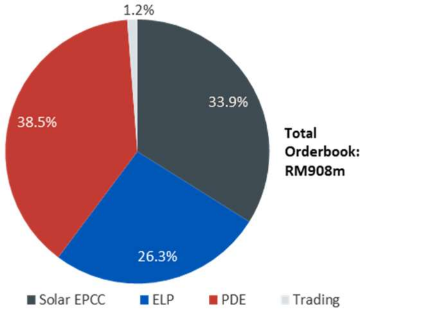
Social

- Pekat provided a total contribution of RM43,000 in financial aid and non-financial resources to NGOs, educational institutions, and children's welfare homes in 2025.

Governance

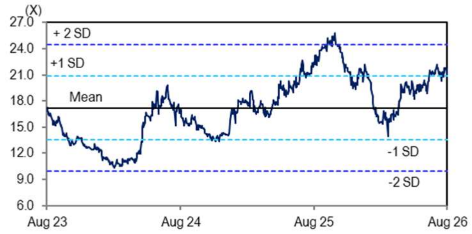
- The board comprises six members consisting of four Independent Directors and two Non-Independent Directors including GCEO. Meanwhile, women comprise 33% (two directors) of the board.

Current Orderbook



Source: Pekat, UOB Kay Hian

PE Band



Source: Pekat, Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**610**	**684**	**802**	**880**
EBITDA	82	145	160	186
Deprec. & amort.	(8)	(55)	(56)	(64)
EBIT	74	90	104	122
Associate contributions	1	2	2	2
Net interest income/(expense)	(5)	(7)	(7)	(6)
Pre-tax profit	**70**	**84**	**99**	**118**
Tax	(19)	(23)	(27)	(32)
Minorities	(6)	(7)	(8)	(9)
Net profit	**45**	**54**	**64**	**77**
Net profit (adj.)	45	54	64	77

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	167	199	210	236
Other LT assets	58	58	60	61
Cash/ST investment	90	169	285	403
Other current assets	399	422	477	508
Total assets	**715**	**848**	**1,031**	**1,210**
ST debt	40	33	28	24
Other current liabilities	192	199	237	251
LT debt	120	100	84	72
Other LT liabilities	17	17	16	16
Shareholders' equity	344	499	666	846
Minority interest	49	57	0	0
Total liabilities & equity	**715**	**848**	**1,031**	**1,210**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**43**	**105**	**116**	**137**
Pre-tax profit	70	84	99	118
Tax	(20)	(23)	(27)	(32)
Deprec. & amort.	8	55	56	64
Associates	(1)	(2)	(2)	(2)
Working capital changes	(23)	(17)	(17)	(17)
Other operating cashflows	8	7	7	6
Investing	**(160)**	**(44)**	**(66)**	**(89)**
Capex (growth)	(97)	(44)	(66)	(89)
Others	(62)	0	0	0
Financing	**170**	**58**	**65**	**72**
Dividend payments	(8)	(7)	(7)	(7)
Issue of shares	102	0	0	0
Proceeds from borrowings	82	72	79	84
Others/interest paid	(7)	(7)	(7)	(6)
Net cash inflow (outflow)	**53**	**120**	**116**	**119**
Beginning cash & cash equivalent	**34**	**88**	**166**	**282**
Changes due to forex impact	0	41	0	0
Ending cash & cash equivalent	**88**	**166**	**282**	**401**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	13.4	21.2	20.0	21.1
Pre-tax margin	11.5	12.3	12.4	13.4
Net margin	7.4	7.9	8.0	8.8
ROA	13.0	10.8	9.6	9.1
ROE	6.3	6.4	6.2	6.4
Growth				
Turnover	112.5	12.2	17.2	9.7
EBITDA	103.1	20.9	16.5	17.0
Pre-tax profit	102.2	19.4	18.5	19.0
Net profit	104.7	20.3	18.5	20.4
Net profit (adj.)	103.9	20.7	18.5	20.4
EPS	103.9	20.7	18.5	20.4
Leverage				
Debt to total capital	0.3	0.2	0.1	0.1
Debt to equity	46.7	26.6	16.8	11.4
Net debt/(cash) to equity	20.5	(7.2)	(25.9)	(36.3)
Interest cover	15.3	12.4	15.7	21.8

Solarvest Holdings (SOLAR MK)

1QFY27: A Sequentially Weaker Quarter; Net Margins Firm at 12%

Highlights

- 1QFY27 net profit declined 21% qoq to RM19.0m (+20% yoy) due to slower EPCC progress in the quarter, while yoy growth was driven by higher RE assets contribution.
- 1QFY27 net margin was firm at 12%. 1QFY27 net profit accounts for 17% of our full-year earnings, and it is deemed in line with expectations as EPCC contribution will drive upcoming quarterly earnings.
- We expect positive CRESS-related contract win to materialise in the next six months – starting off with a 200-300MW data centre contract win with Tier 1 data centre customers. Maintain BUY with a target price of RM3.50, pegged to 25x FY28 EPS (+1SD from mean PE).

1QFY27 Results

Year to 31 Mar (RMm)	1QFY27	4QFY26	1QFY26	qoq %	yoy %
Revenue	**155.9**	**268.7**	**137.7**	**(42.0)**	**13.2**
Gross Profit	45.8	73.3	40.5	(37.5)	13.2
EBITDA	30.9	45.2	29.0	(31.6)	6.7
EBITDA Margin	19.8%	16.8%	21.1%	3.0ppt	-1.2ppt
Profit Before Tax	25.1	41.0	22.1	(38.7)	13.8
Net Profit	**19.0**	**24.2**	**15.9**	**(21.3)**	**19.8**
Segmental Revenue					
EPCC of Clean Energy Solutions	161.0	332.6	186.0	(51.6)	(13.5)
Renewable Energy Generation	9.6	10.1	7.6	(4.8)	25.8
O&M of RE System	4.8	7.4	3.9	(34.6)	22.5
Others	(20.9)	(80.8)	(59.9)	(74.1)	(65.1)
Total	**155.9**	**268.7**	**137.7**	**(42.0)**	**13.2**

Source: Solarvest, UOB Kay Hian

Analysis

- **1QFY27: A sequentially weaker quarter.** Solarvest Holdings (Solarvest) booked a 21% qoq decline in 1QFY27 net profit to RM19.0m (-21% qoq). This was attributed to the engineering, procurement, construction, and commissioning (EPCC) segment's weaker delivery of early-stage project execution for its LSS5 contracts. Conversely, the healthy yoy growth was driven by higher income from the group's solar assets as two additional corporate green power projects (CGPP) came on-stream in the quarter. 1QFY27 earnings accounted for 17% of our full-year FY27 forecast. We deem the results in line with expectations with stronger earnings expected in the upcoming quarters.

Key Financials

Year to 31 Mar (RMm)	2025	2026F	2027F	2028F	2029F
Net turnover	536.8	757.1	1,312.5	1,581.5	1,855.1
EBITDA	97.0	141.3	191.2	221.5	258.6
Operating profit	83.7	126.0	173.1	200.7	235.4
Net profit (rep./act.)	51.9	79.8	112.7	133.8	159.5
Net profit (adj.)	51.9	79.8	112.7	133.8	159.5
EPS	7.0	9.4	11.8	14.0	16.7
PE (x)	43.1	32.3	25.7	21.7	18.2
P/B (x)	5.4	3.5	3.1	2.7	2.4
EV/EBITDA (x)	25.2	20.1	15.3	12.6	10.1
Dividend yield (%)	-	-	-	-	-
Net margin (%)	9.7	10.5	8.6	8.5	8.6
Net debt/(cash) to equity (%)	48.9	(6.5)	(7.1)	(18.7)	(29.4)
Interest cover (x)	5.7	4.6	4.9	5.4	6.0
ROE (%)	12.5	9.7	12.0	12.5	13.0
Consensus net profit	n.a	n.a	77.6	102.5	145.3
UOBKH/Consensus (x)	n.a	n.a	1.0	1.1	0.9

Source: Solarvest, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	RM3.03
Target Price	RM3.50
Upside	15.5%

Stock Data

Sector	Industrials
Bloomberg ticker	SOLAR MK
Shares issued (m)	952.3
Market cap (RMm)	2,929.4
Market cap (US$m)	721.5
3-mth avg daily t'over (US$m)	2.3

Price Performance (%)

52-week high/low: RM3.39/RM1.82

1mth	3mth	6mth	1yr	YTD
1.7	17.0	37.7	25.7	(8.2)

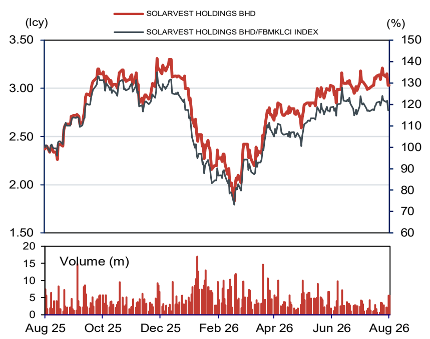
Major Shareholders (%)

Atlantic Blue Holdings	17.0
Lim Chin Siu	6.2
Urusharta Jamaah	6.1

Balance Sheet Metrics

FY27F NAV/Share (RM)	1.0
FY27F Net Debt/Share (RM)	0.1

Price Chart



Source: Bloomberg

Company Description

A renewable energy EPCC, operation and maintenance and asset ownership company.

- **Higher income driven by CGPP assets.** Associate earnings rose 4x yoy (-33% qoq) with contribution from its CGPP assets (namely SKE and SPE) generating returns in the quarter itself. Solarvest continues to reap recurring revenue contributions from its LSS4 and Powervest assets, generating a stable revenue stream of RM3m-4m each quarter. This is expected to drive a total revenue contribution of RM15m once its 133MWp Powervest assets fully come online within the next 12-18 months.
- **Stable net profit margin of 12%.** In 4QFY26, Solarvest's net profit margin fell to 9% as a result of higher input cost due to increased solar module prices and elevated diesel prices. This quarter, net profit margin recovered to 12% (+0.7ppt yoy; +3.2ppt qoq) given lower solar module prices (~USD0.10-0.11/W) and healthy contributions from asset ownership. We expect Solarvest to maintain a stable profit margin from FY27, having secured up to 2GW of solar modules at a competitive price (our estimate: US$0.10-0.11/W).
- **Robust orderbook of RM2.4b underpins earnings visibility into FY29.** Solarvest aims to maintain its 30% share in the utility-scale EPCC market and expects to continue securing EPCC awards for the upcoming CRESS and LSS6 projects. Solarvest's robust orderbook stands at RM2.37b (8% residential and C&I + 92% utility-scale). This will pave the way for the stock to deliver three-year earnings CAGR of 26% over FY26-29F.

Valuation/Recommendation

- **Maintain BUY with a target price of RM3.50, pegged to 25x FY28 EPS (+1SD from mean PE).** We believe Solarvest's partnership with Brookfield is a strong lever that will pivot Solarvest into the next phase of growth. The partnership will pave the way for the group to lift orderbook meaningfully via the sizeable Corporate Renewable Energy Supply Scheme (CRESS) to the tune of 1.5GW over a 3-5-year period.

Earnings Revision/Risk

- No changes to earnings.

Share Price Catalyst

- **Key re-rating catalysts** for the stock include: a) a stronger ringgit to offset rising solar PV costs, b) cost discipline to drive sustainable profit margins, c) pioneer CRESS contract wins, and d) eventual monetisation of solar assets either via listing or trade sale.

Environment, Social, Governance (ESG) Updates

Environmental

- Solarvest installed solar PV systems with a cumulative capacity of 1,164MWp for its customers as of FY26, resulting in an impressive estimated reduction of 1,100,482 tonnes of carbon dioxide emissions.

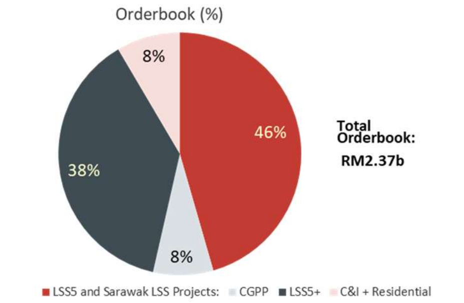
Social

- In FY26, the group allocated RM130,099 to community programmes that benefitted 4,636 individuals, across education, donations, and sponsorships.

Governance

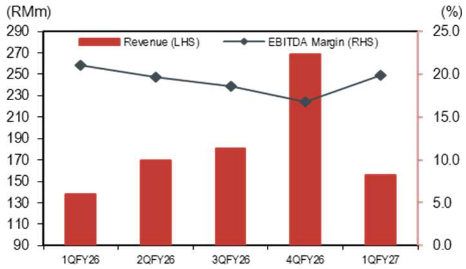
- The board comprises nine members consisting of six Independent Directors and three Non-Independent Directors. Meanwhile, women comprise 33% (three directors) of the board.

Current Orderbook



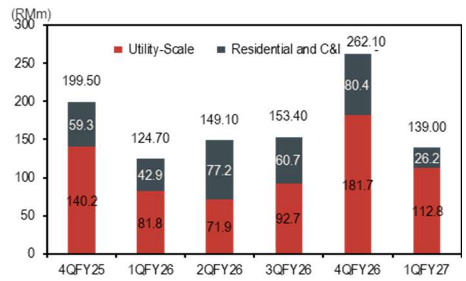
Source: Solarvest, UOB Kay Hian

Revenue And Margins Trend



Source: Solarvest, UOB Kay Hian

Quarterly EPCC Revenue Breakdown



Source: Solarvest, UOB Kay Hian

Solarvest Three-year PE Band

Source: Bloomberg, Solarvest, UOB Kay Hian

Profit & Loss

Year to 31 Mar (RMm)	2026	2027F	2028F	2029F
Net turnover	**757**	**1,313**	**1,581**	**1,855**
EBITDA	141	191	222	259
Deprec. & amort.	(15)	(18)	(21)	(23)
EBIT	126	173	201	235
Associate contributions	9	14	17	19
Net interest income/(expense)	(9)	(7)	(4)	(0)
Pre-tax profit	**117**	**166**	**197**	**235**
Tax	(35)	(50)	(59)	(71)
Minorities	(2)	(3)	(4)	(5)
Net profit	**80**	**113**	**134**	**159**
Net profit (adj.)	80	113	134	159

Balance Sheet

Year to 31 Mar (RMm)	2026	2027F	2028F	2029F
Fixed assets	324	385	443	494
Other LT assets	225	225	225	225
Cash/ST investment	195	193	314	462
Other current assets	851	991	959	943
Total assets	**1,595**	**1,794**	**1,942**	**2,125**
ST debt	66	63	60	57
Other current liabilities	315	412	435	466
LT debt	346	335	325	315
Other LT liabilities	36	36	36	36
Shareholders' equity	823	936	1,070	1,229
Minority interest	9	12	16	21
Total liabilities & equity	**1,595**	**1,794**	**1,942**	**2,125**

Cash Flow

Year to 31 Mar (RMm)	2026	2027F	2028F	2029F
Operating	**91**	**91**	**214**	**235**
Pre-tax profit	117	166	197	235
Tax	(31)	(50)	(59)	(71)
Deprec. & amort.	15	18	21	23
Associates	-	-	-	-
Working capital changes	(98)	(43)	55	47
Other operating cashflows	86	-	-	-
Investing	**(200)**	**(79)**	**(79)**	**(74)**
Capex (growth)	(80)	(79)	(79)	(74)
Investments	0	-	-	-
Proceeds from sale of assets	(32)	-	-	-
Others	447	(66)	(13)	(13)
Financing	**1**	**-**	**-**	**-**
Dividend payments	377	-	-	-
Proceeds from borrowings	83	(14)	(13)	(13)
Loan repayment	(14)	(51)	-	-
Net cash inflow (outflow)	**337**	**(53)**	**122**	**147**
Beginning cash & cash equivalent	**87**	**425**	**371**	**493**
Changes due to forex impact	0	-	-	-
Ending cash & cash equivalent	**425**	**371**	**493**	**641**

Key Metric

Year to 31 Mar (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	18.7	14.6	14.0	13.9
Pre-tax margin	15.5	12.6	12.5	12.7
Net margin	10.5	8.6	8.5	8.6
ROA	5.0	6.3	6.9	7.5
ROE	9.7	12.0	12.5	13.0
Growth				
Turnover	41.0	73.4	20.5	17.3
EBITDA	45.7	35.3	15.8	16.8
Pre-tax profit	58.1	41.5	18.7	19.2
Net profit	53.7	41.2	18.7	19.2
Net profit (adj.)	53.7	41.2	18.7	19.2
EPS	53.7	41.2	18.7	19.2
Leverage				
Debt to total capital	0.4	0.3	0.3	0.2
Debt to equity	0.5	0.4	0.4	0.3
Net debt/(cash) to equity	(0.1)	(0.1)	(0.2)	(0.3)
Interest cover	4.6	4.9	5.4	6.0

SP Setia (SPSB MK)

2Q26: Below Expectations; Growing Non-Residential Projects

Highlights

- Results were below our expectations due to lower-than-expected residential revenue recognition.
- While residential demand is softer, management expects to bridge the gap with higher sales contribution from the industrial and commercial segments, which typically generate higher margins.
- Maintain BUY with a lower target price of RM1.06. While the REIT listing is now targeted for 2Q27 (1Q27 previously), investor sentiment could gradually improve on faster monetisation from industrial and commercial landbank.

2Q26 Results

Year to 31 Dec	2Q26 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg
Revenue	821.4	(0.6)	(13.0)	1,647.9	(3.9)
Gross Profit	320.1	31.6	(16.2)	563.3	(15.1)
EBIT	278.4	23.3	(10.4)	504.2	(7.6)
PBT	190.4	76.7	(2.7)	298.2	(11.6)
PATAMI	98.1	215.1	(1.7)	129.2	(22.6)
Core PATAMI	67.0	44.3	(40.4)	113.4	(36.8)
Margins	%	+/- ppt	+/- ppt	%	+/- ppt
GP	39.0	9.5	(1.5)	34.2	(4.5)
EBIT	33.9	6.6	1.0	30.6	(1.2)
PBT	23.2	10.1	2.4	18.1	(1.6)
Core PATAMI	8.2	2.5	(3.7)	6.9	(3.6)

Source: SP Setia, UOB Kay Hian

Analysis

- **Below expectations.** SP Setia's 2Q26 core PATAMI came in at RM67m (+44% qoq, -40% yoy) on the back of a revenue of RM821m (-1% qoq, -13% yoy). This brings 1H26 core PATAMI to RM113m (-37% yoy), accounting for 29%/30% of our and consensus full-year forecasts, slightly behind our full-year expectation due to weaker-than-expected residential revenue. As of end-2Q26, unbilled sales were at RM3,975m (-6% qoq, +2% yoy).

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	5,294	4,218	3,963	4,643	4,824
EBITDA	1,610	1,466	1,214	1,479	1,557
EBIT	1,564	1,425	1,175	1,417	1,473
Net profit (rep./act.)	576	510	390	502	523
Net profit (adj.)	622	697	390	502	523
Net profit (adj. after RCPS)	525	615	300	413	434
EPS (sen) (adj. after RCPS)	12.0	12.3	6.0	8.2	8.7
PE (x)	7.0	6.8	14.0	10.2	9.7
P/B (x)	0.3	0.3	0.3	0.3	0.3
EV/EBITDA (x)	7.8	8.6	10.4	8.8	8.5
Dividend yield (%)	3.4	3.0	1.7	2.3	2.5
Net margin (%)	11.7	16.5	9.8	10.8	10.8
Net debt/(cash) to equity (%)	37.3	36.1	35.6	35.9	35.9
Interest cover (x)	5.5	5.7	4.7	5.6	5.7
ROE (%)	3.6	4.2	2.0	2.8	2.9
Consensus net profit			424	439	470
UOBKH/Consensus (x)			0.7	0.9	0.9

Source: SP Setia, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM0.845
Target Price	RM1.06
Upside	25.9%
Previous TP	RM1.22

Stock Data

Sector	Real Estate
Bloomberg ticker	SPSB MK
Shares issued (m)	5,003.4
Market cap ({{Curr}}m)	5,904.0
Market cap (US$m)	1,502.1
3-mth avg daily t'over (US$m)	2.9

Price Performance (%)

52-week high/low RM1.3/RM0.72

1mth	3mth	6mth	1yr	YTD
39.6	24.9	44.8	1.7	61.6

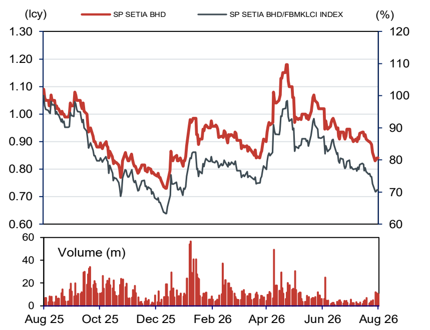
Major Shareholders (%)

PNB	48.8
EPF	15.4
KWAP	8.6

Balance Sheet Metrics

FY26 NAV/Share (RM)	2.92
FY26 Net Debt/Share (RM)	1.07

Price Chart



Source: Bloomberg

Company Description

SP Setia is one of the leading property developers in Malaysia with vast landbanks in Klang Valley, Penang and Iskandar.

- **2Q26 PBT margin for property development segment improved** to 25.0% (+4.2ppt yoy; +11.4ppt qoq), due to: a) recognition of Setia Alaman land sales of RM220m-330m during the quarter, with a margin of 39%; and b) non-core land sales of RM42m, with a margin higher than 25%.
- **We expect net gain of around RM70m from non-core land disposals in 2H26.** Looking ahead, we expect SP Setia's earnings to be supported by the recognition of two non-core land transactions, including: a) RM248m Glengowrie land sale to Mah Sing, with an estimated RM30m net disposal gain; and b) RM100m EcoHill land sale to the JV with Mitsui Fudosan, which could contribute RM40m assuming a margin of around 40%. Recognition is pending Economic Planning Unit approval, amid expectations that the Bumiputera equity requirement could revert back to 30% from the current 50%. Vietnam should provide further earnings support as sales are progressively recognised upon commencement of progress billing.
- **Commercial and industrial to cushion softer residential demand.** Management maintained its 2026 sales target of RM4.6b, despite 1H26 sales of RM1.4b, or around 31% of the target, with softer residential demand seen outside its core locations, including Semenyih. To bridge the gap, management is accelerating commercial launches, including the final phase of Setia Alam shops, where gross margin is guided at over 25%. Pricing traction has been encouraging with shops launched at around RM1.7m now seeing a subsale price of around RM3.3m while corner lots have risen from RM2.5m to RM5m. Other 2H26 sales drivers include: a) RM500m of Vietnam sales recognition following permit issuance, now in Sep 26 from Jun 26 previously; b) maiden industrial sales from Setia Fontaines; and c) 4Q26 launches of Carlton Land in Melbourne and St Leonards in Sydney. As of 7 Aug 26, RM1.68b of projects had been launched, with RM2.75b scheduled for the rest of 2026.
- **Potential data centre (DC) land sales of around RM518m from Setia Fontaines.** Of the RM1.1b sales recorded from Setia Alaman (vs total GDV: RM2.4b), there remains RM500m-550m to be recognised progressively from 3Q26 to 1Q27. Upcoming industrial sales growth should come from Setia Fontaines (targeting sales in 2H26) and Setia EcoHill 2. EcoHill 2 is slated for launch in 4Q26, comprising 30 acres of land plots and ready-built factories priced at RM90-120psf. Meanwhile, management expects maiden sales at Setia Fontaines in 2H26. Notably, 85 acres have been earmarked for DC land sales at around RM140psf, implying potential proceeds of around RM518m. To support water requirements, management plans to invest RM11m-12m in its own water treatment plant and sell treated water to industrial/DC users, which it expects to be net earnings-accretive. Verbal approval has been obtained from the Penang state government.
- **Battersea Phase 3C progressing well.** Phase 3C construction commenced in Jun 26, with 44 units sold as of Jul 26. Management indicated that over £60m of sales have been secured, with 60% of buyers from Turkey and Saudi Arabia. Meanwhile, remaining completed inventory at earlier phases has largely been cleared, with only eight units remaining across Phase 2 and Phase 3A as of end-Jul 26. 50 Electric Boulevard reached 53% occupancy (vs 45% as of end 1Q26), with further leasing under negotiation for completion by year-end.

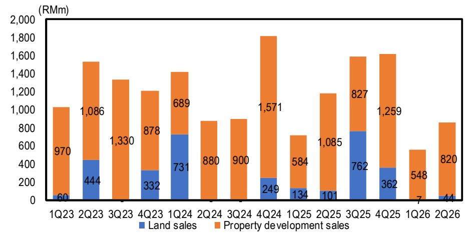
Valuation/Recommendation

- **Maintain BUY with a lower target price of RM1.06 (from RM1.22),** as we increased our discount to RNAV from 60% to 65%. Our target price implies 13x 2027F PE and 0.3x 2027F P/B.

Earnings Revision/Risk

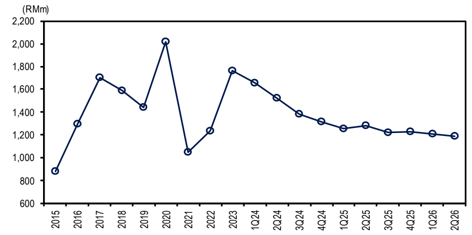
- We cut our earnings forecasts by 24%/6%/3% for 2026-28 respectively to factor in a lower residential revenue.

Quarterly Sales



Source: SP Setia, UOB Kay Hian

Inventory Level



Source: SP Setia, UOB Kay Hian

RNAV-Based Valuation

NPV of Development Profits	(RMm)
Central Region	1,240.5
Northern Region	289.1
Southern Region	214.9
Eastern Region	71.5
Battersea Power Station	268.8
Australia, Vietnam & Others	144.3
Total	**2,229.2**
Shareholders' Funds	14,797.8
RNAV	**17,027.0**
Existing Share Base (m)	5,051.7
RCPS-i A	375.2
RCPS-i C	209.4
Enlarged Sharebase (m)	5,636.3
RNAV/share (RM)	3.02
Discount (%)	65%
Target Price (RM/share)	**1.06**

Source: SP Setia, UOB Kay Hian

Environment, Social, Governance (ESG) Updates

Environmental
- Energy intensity ratio decreased to 12.6kW/h from 17.9kW/h.

Social
- Total investment for communities by S P Foundation: RM405,154.

Governance
- Good company transparency along with an anti-bribery and anti-corruption policy.

Profit & loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**4,217.8**	**3,963.1**	**4,643.2**	**4,824.1**
EBITDA	1,465.5	1,214.2	1,479.1	1,556.7
Deprec. & amort.	40.1	39.3	61.7	83.8
EBIT	1,425.5	1,174.9	1,417.4	1,472.9
Associate contributions	(101.7)	(96.6)	(96.6)	(96.6)
Net interest income/(expense)	(256.3)	(258.1)	(264.3)	(275.4)
Pre-tax profit	**969.1**	**820.3**	**1,056.6**	**1,101.0**
Tax	(365.5)	(359.2)	(462.6)	(482.1)
Minorities	(93.6)	(71.5)	(92.1)	(95.9)
Net profit	**510.0**	**389.6**	**501.9**	**523.0**
Net profit (adj.)	615.1	300.3	412.6	433.7

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	12,415.2	13,060.4	13,837.4	14,605.8
Other LT assets	3,799.2	3,702.6	3,606.0	3,509.4
Cash/ST investment	2,572.1	2,889.7	3,104.1	3,378.9
Other current assets	8,296.9	8,132.0	8,572.2	8,689.2
Total assets	**27,083.4**	**27,784.6**	**29,119.7**	**30,183.5**
ST debt	1,543.0	1,543.0	1,543.0	1,543.0
Other current liabilities	2,547.8	2,535.0	2,946.1	3,054.1
LT debt	4,887.0	5,229.3	5,648.6	6,074.7
Other LT liabilities	2,016.9	2,016.9	2,016.9	2,016.9
Shareholders' equity	16,088.7	16,460.5	16,965.1	17,494.7
Minority interest	1,290.8	1,362.3	1,454.4	1,550.3
Total liabilities & equity	**27,083.4**	**27,784.6**	**29,119.7**	**30,183.5**

Cash flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**1,458.8**	**1,007.2**	**987.4**	**1,065.6**
Pre-tax profit	969.1	820.3	1,056.6	1,101.0
Tax	(299.0)	(299.0)	(299.0)	(299.0)
Deprec. & amort.	40.1	39.3	61.7	83.8
Associates	(101.7)	(96.6)	(96.6)	(96.6)
Working capital changes	333.3	152.1	(29.1)	(9.0)
Other operating cashflows	516.9	391.1	293.8	285.4
Investing	**(655.8)**	**(684.4)**	**(838.7)**	**(852.3)**
Capex (growth)	(795.4)	(684.4)	(838.7)	(852.3)
Investments	0.0	0.0	0.0	0.0
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	139.6	0.0	0.0	0.0
Financing	**(1,291.9)**	**(5.2)**	**65.8**	**61.5**
Dividend payments	(258.3)	(89.3)	(89.3)	(89.3)
Issue of shares	1.1	0.0	0.0	0.0
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	(668.3)	342.2	419.4	426.1
Others/interest paid	(366.5)	(258.1)	(264.3)	(275.4)
Net cash inflow (outflow)	**(489.0)**	**317.5**	**214.4**	**274.8**
Beginning cash & cash equivalent	**3,141.5**	**2,572.1**	**2,889.7**	**3,104.1**
Changes due to forex impact	(80.4)	0.0	0.0	0.0
Ending cash & cash equivalent	**2,572.1**	**2,889.7**	**3,104.1**	**3,378.9**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	34.7	30.6	31.9	32.3
Pre-tax margin	23.0	20.7	22.8	22.8
Net margin	12.1	9.8	10.8	10.8
ROA	2.2	1.0	1.4	1.4
ROE	4.2	2.0	2.8	2.9
Growth				
Turnover	(10.9)	(16.3)	(1.9)	1.9
EBITDA	143.3	101.6	145.5	158.4
Pre-tax profit	69.9	43.8	85.2	93.0
Net profit	22.0	(6.8)	20.1	25.2
Net profit (adj.)	17.2	(51.2)	37.4	5.1
EPS	17.2	(51.2)	37.4	5.1
Leverage				
Debt to total capital	49.2	50.2	51.2	52.0
Debt to equity	53.5	54.7	56.0	57.1
Net debt/(cash) to equity	36.1	35.6	35.9	35.9
Interest cover (x)	5.7	4.7	5.6	5.7

Market Spotlight

Market News

Despite opening higher, the FBMKLCI gradually trended down and closed marginally lower at 1,731.32 (-2.04pt, -0.12%). Meanwhile, Asian stocks fell sharply on Wednesday, led by a near-6% rout in South Korea and a more than 3% slide in Japan, as a renewed semiconductor selloff collided with elevated bond yields and higher oil prices. The FBMKLCI's top gainers were IHH Healthcare (+1.8%), Axiata Group (+1.6%) and Sunway Healthcare Holdings (+1.5%), while the top losers were Gamuda (-2.7%), SD Guthrie (-2.5%) and AMMB Holdings (-1.8%). In the broader market, losers outpaced gainers 700 to 478 with 564 counters unchanged. Turnover was 3.31b shares valued at RM2.91b.

US stocks were higher after the close on Wednesday, as gains in the healthcare, consumer goods and basic materials sectors led shares higher. At the close in NYSE, the Dow Jones Industrial Average added 0.22%, while the S&P 500 Index climbed 0.22%, and the NASDAQ Composite Index gained 0.16%. Rising stocks outnumbered declining ones on the New York Stock Exchange by 1,686 to 1,034 and 91 ended unchanged; on the Nasdaq Stock Exchange, 1,925 rose and 1,500 declined, while 204 ended unchanged. *(Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

Analyst(s)

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FBMKLCI

Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close:	1,731.32
Expected moving range:	1,720-1,750

Technical View:

The FBMKLCI continued its pullback as the index slid lower yesterday. The correction looks set to continue as selling pressure grew, as reflected by the negative reading in RSI. While the index is likely to trade sideways in the near term, overall long-term uptrend remains intact. Support and resistance levels are still maintained as follows:

Support: 1,677, 1,652

Resistance: 1,753, 1,770

FCPO

Source: TradingView

Futures Crude Palm Oil (FCPO) Active Contract, 1 Hour Chart

Technical SELL with +3.9% potential downside

Trading SELL range:	RM4,800-4,900
Last price:	RM4,906
Target price:	RM4,795, RM4,714
Resistance:	RM4,930
Stop-loss:	RM4,931

SELL with a target price of RM4,714 and stop-loss at RM4,931. Based on the chart, FCPO continued the bearish movement and closed lower at RM4,906 yesterday. This bearish movement is supported by a downtick in the RSI and a bearish crossover in both the MACD and DMI indicators. We still maintained our targets at RM4,795 and RM4,714 in the near term.

Expected timeframe: One day to three days

FKLI

Source: TradingView

FTSE Bursa Malaysia KLCI Futures (FKLI), 1 Hour Chart

Technical BUY with 0.84% potential return

Trading BUY range:	1,720-1,740
Last price:	1,732.5
Target price:	1,734, 1,747
Support:	1,715
Stop-loss:	1,714

BUY with a target price of 1,747 and stop-loss at 1,714. Based on the chart, FKLI continued the bullish movement and closed at 1,732.5 on yesterday's movement. This bullish movement is supported by an uptick in the RSI and bullish crossovers in the MACD. We maintained our targets at 1,734 and 1,747 in the near term.

Expected timeframe: One day to three days

Traders' Corner

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Source: UOBKH ChartGenie

Icapital.biz
ICAP MK

Technical BUY on breakout with +6.7% potential return

Trading BUY range:	RM2.52-2.53
Last price:	RM2.50
Target price:	RM2.63, RM2.69
Support:	RM2.44
Stop-loss:	RM2.43

BUY on breakout with a target price of RM2.69 and stop-loss at RM2.43. The upside trend is intact if the stock can break out of RM2.52. Currently, both the MACD and the DMI are showing positive signals to support the upward momentum. This is also supported by an uptick in the RSI, which suggests buying momentum has dominated selling momentum. We peg our targets at RM2.63 and RM2.69 for the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Kossan Rubber Industries
KRI MK

Technical BUY on breakout with +19.8% potential return

Trading BUY range:	RM1.16-1.17
Last price:	RM1.13
Target price:	RM1.29, RM1.39
Support:	RM1.01
Stop-loss:	RM0.995

BUY on breakout with a target price of RM1.39 and stop-loss at RM0.995. Based on the daily chart, KRI has seen its share price recover gradually and move above the 7- and 21-day EMAs following yesterday's spike to close higher at RM1.13. This is supported by an uptick in the RSI and a bullish crossover in the MACD and DMI, indicating that positive momentum would strengthen in the near term. We peg our targets at RM1.29 and RM1.39 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Ocean Vantage Holdings OVH MK

Technical BUY with +23.2% potential return

Trading BUY range:	RM0.27-0.28
Last price:	RM0.28
Target price:	RM0.325, RM0.345
Support:	RM0.225
Stop-loss:	RM0.22

BUY with a target price of RM0.345 and stop-loss at RM0.22. Based on the daily chart, OVH formed a series of higher highs and higher lows that indicates an uptrend pattern. This is supported by an uptick in the RSI and the DMI, which shows buying pressure has overcome selling pressure. We expect OVH to continue to move towards our targets at RM0.325 and RM0.345 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading