



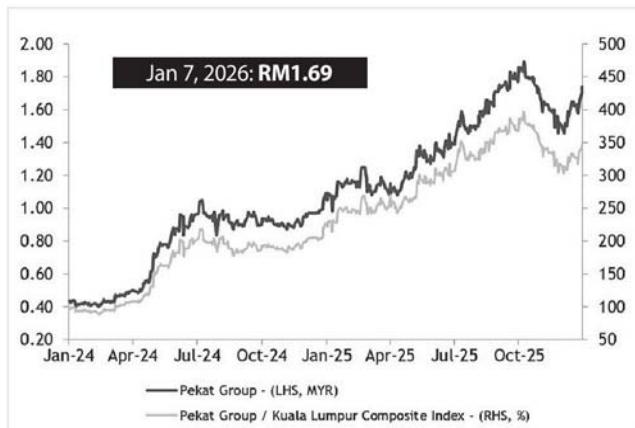
08 JAN, 2026

Pekat Group Bhd



The Sun, Malaysia

Pekat Group Bhd Buy. Target price: RM1.98



Source: Maybank Investment Bank

PEKAT'S company's exposure in the solar PV segment has been driven by its expanding presence in the C&I and residential rooftop segments to focus on better profitability. The recently revised TNB tariff structure has accelerated the adoption of solar+BESS in the C&I segment to mitigate maximum demand charges, while the introduction of Solar ATAP is expected to rejuvenate demand for residential rooftop solar. Notwithstanding this focus, Pekat is also selectively participating in utility-scale solar projects to capture incremental opportunities from LSS5+, LSS6, and CRESS.

Pekat's dominant >50% market share in local ELP market, positions it well to benefit from Malaysia's 7.1GW data centre (DC) pipeline as more DC progress into M&E fit-out stage in 2026-27E. While its newly acquired EPE Switchgear is fast emerging as a key revenue driver (26%-35% of group 2025-27 revenue), supported by its 40% market share among TNB's MV switchgear suppliers. We believe Pekat is well positioned to ride on Malaysia's accelerating grid infrastructure upgrade which aligns with the nation's growing RE adoption and increase in electricity demand.

We project a robust 3-year profit CAGR of 45%, underpinned by its robust RM745.6 million orderbook (representing 2.6x 2024 revenue) and margin expansion from operating leverage and higher margin power distribution segment. We like Pekat for its strong presence in high-growth sectors which position the group well to benefit from Malaysia's evolving energy landscape.

BUY with RM1.98 TP.- **Maybank Investment Bank, Jan 7**