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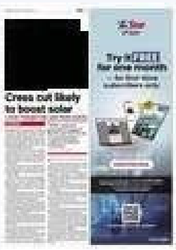

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Pekat order book supports near-term growth momentum

The Star, Malaysia

Pekat order book supports near-term growth momentum

PETALING JAYA: Pekat Group Bhd's near-term prospects are positive, supported by a robust order book of RM750mil with broad-based growth across all its business segments, says Phillip Capital Research.

The group's electrical production equipment (EPE) switchgear is the largest order book contributor at 41%, followed by earthing and lightning protection (ELP) at 34%, solar at 20% and trading at 5%.

"Growth momentum remains healthy, with ELP revenue standing out in the second quarter of financial year 2026 (2Q26), complemented by sustained activities in EPE and solar," said the research house.

Approximately two-thirds of the ELP order book is now tied to data centre (DC) projects, a mix expected to sustain for at least the next three years, with 2026 ELP revenue targeted at RM80mil-RM100mil versus RM40mil in the first half of financial year 2026 (1H26).

The research house noted that management guides for 2H26 revenue of RM300mil to RM360mil, supported by accelerating DC-related ELP deliveries and sustained Tenaga Nasional Bhd's order fulfilment from EPE.

The group's segmental outlook also remains constructive, with DC exposure being a key near-term growth catalyst.

Year-to-date, ELP wins have reached RM77mil, representing 51% of Phillip Capital Research's RM150mil full-year replenishment target, including three recent DC contract wins in Johor worth RM57mil.

It noted residential solar demand recovered from its post-Net Energy Metering weakness, with monthly revenue improving from about RM1mil to RM2mil to around RM4mil to RM5mil, while management targets RM8mil to RM9mil per month by year-end.

Phillip Capital Research also said Pekat expects to participate in at least two large-scale solar opportunities via both engineering, procurement, construction and commissioning and consortium structures, and management does not anticipate any new share issuance.