



Pekat powers up with switchgear and RE push

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PETALING JAYA: Pekat Group Bhd is set to ride on Malaysia's aggressive renewable energy (RE) push with its newly acquired switchgear business as a game changer.

Kenanga Research said the government's aggressive push for RE with Large Scale Solar 5 (LSS5) and LSS5+ which are four times bigger than LSS4's 800MW – unlocks more than RM10bil in engineering, procurement, construction and commissioning contracts.

"Pekat, maintaining a steady market share of about 5%, remains selective in LSS projects due to tight margins, and is making aggressive moves on high-margin commercial and industrial segments.

"This is via Solaroo, tapping into under-penetrated rooftop solar market where only about 63,000 of Tenaga Nasional Bhd's (TNB) 10.4 million retail customers are currently signed up and set to rise with a 14% base electricity tariff hike in the second half of 2025.

"Pekat is on track to double its residential and C&I revenue to RM120mil in the financial year 2025 (FY25)," it said in its initiation report yesterday.

Kenanga Research said Pekat's newly acquired switchgear business, EPE Switchgear Sdn Bhd with 70% of its revenue from TNB, holds a 30% share in TNB's tenders as one of its top four local medium voltage switchgear providers.

It estimates EPE's earnings will surpass the RM10mil profit guarantee by 33% and 54% in FY25 and FY26 respectively.

Kenanga Research said Pekat is its new RE top pick. It has an "outperform" call on Pekat with a target price of RM1.60 a share.