



HLIB Research keeps 'buy' call on Solarvest

Sentiment	Positive	Frequency	Daily
Outlet Country	Malaysia	Outlet Language	English
Impressions	135,966	Circulation	67,983
PR Value	40,790	Page	3

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RM2.25 TARGET PRICE

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KUALA LUMPUR: Solarvest Holdings Bhd is expected to be the primary beneficiary of the upcoming rollout of LSS5+ (2GW) and LSS6 (2GW) developer and engineering, procurement, construction and commissioning (EPCC) contracts over the next two years.

Hong Leong Investment Bank (HLIB Research) said the large-scale LSS5, LSS5+ and LSS6 solar programmes were projected to generate EPCC value of about RM15 billion to RM18 billion, sustaining the company's order book growth cycle.

The research firm said there could be further upside to these estimates if Battery Energy Storage System requirements were incorporated into LSS6.

"Quotas available from just LSS5 and 5+ alone would dwarf cumulative utility scale quotas awarded under LSS1-4 and the Corporate Green Power Programme. This is a clear indication of the Energy Transition and Water Transformation Ministry accelerating energy transition as solar capacity climbs exponentially.

"Headroom from Tenaga Nasional Bhd's approved Regulatory Period 4 (2025-2027) capex of

RM42.8 billion should facilitate above-trend capacity growth rates in the next few years versus the National Energy Transition Roadmap's solar compound annual growth rate of 14 per cent.

"Our positive view is further supported by frequent quota additions to existing net energy metering programmes and also Commercial and Industrial Renewable Energy

Solar Scheme programmes that are poised for further traction when data centres are commissioned for operations."

HLIB Research maintained its "buy" call on Solarvest, with a target price of RM2.25.

It said Solarvest's latest contract followed closely after a significant contract award of RM401 million last week, increasing the company's outstanding order book to RM1.38 billion.

This represents a substantial three times coverage of its financial year 2024 revenue.

"The company's order book has grown by 57 per cent in the past three months, buoyed by the LSS5 EPCC contract cycle.

"We continue to foresee order book growth opportunities in the near term coming from the LSS5 programme."

INFO BOX

RM15b to RM18b

projected EPCC value of LSS5, LSS5+ and LSS6 solar programmes