PMW International Berhad (PMW)

Advancing with Electricity, 5G and Infrastructure Growth

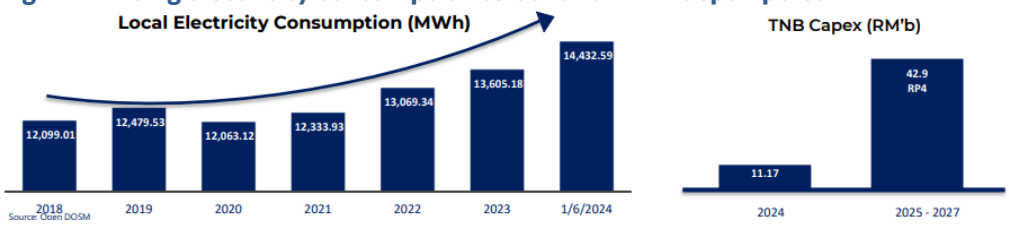
- **Incorporated in 1992, PMW International Berhad is a Malaysian manufacturer and trader of concrete-based products, moulds, and machinery. The group's core activities span the manufacturing and trading of spun poles, spun piles, and other concrete products, as well as the design and rental of moulds and machinery used in concrete production.**
- **We project 3-year earnings CAGR of 23.3%, with core PAT anticipated to reach RM22.0m-RM29.9m over the next three years. This growth is underpinned by (i) stronger margins following the acquisitions of Winabumi and PMW Concrete, (ii) tagging along the growth of TNB capex and 5G network expansion and (iii) commencement of new plant in Tanjung Manis, Sarawak starting 4Q27.**
- **We assign a fair value of RM0.57 per share for PMW, indicating a 67.6% upside from the share price of RM0.34. This valuation is based on a PE multiple of 20.0x pegged to FY26f EPS of 2.85 sen.**

Investment highlights

Margin upliftment following Winabumi and PMW Concrete acquisitions. Prior to the IPO, more than 75% of PMW's revenue was derived from the trading and rental segments, whereby PMW supplied construction materials and rented out its moulds and machinery to Winabumi and PMW Concrete. In return, the group purchased the finished products (e.g., concrete products, spun poles, and piles) for resale to other customers. Following the acquisition of Winabumi and PMW Concrete as subsidiaries, all sales of concrete products and trading of spun poles and piles are now captured under the group's manufacturing segment post-IPO. This integration allows PMW to enjoy higher margins by directly controlling production costs and pricing, rather than reselling third-party products. Consequently, PAT margin rose from ~11.0% in FY21–24 to 12.5% in pro forma FY24 and 12.7% in FPE25 following the acquisitions.

Riding along the electricity giants. PMW stands to benefit directly from rising electricity consumption and the expansion of transmission and distribution infrastructure across Malaysia. With Tenaga Nasional Berhad (TNB) and Sabah Electricity Sdn Bhd (SESB) among its major customers, the group is well-positioned to capture the rising demand arising from large-scale electricity infrastructure upgrades and replacement of aging power poles. Meanwhile, TNB's targeted CAPEX is expected to rise sharply from RM11.2bn in 2024 to RM42.9bn under RP4 (2025–2027), driven by grid modernisation, data centre demand and green energy initiatives. These developments are expected to spur demand for PMW's spun poles, as well as its solar and LED lighting solutions.

Fig #1 Rising electricity consumption to benefit PMW's spun poles



Source: PMW International Berhad

Benefitting from Malaysia's 5G network infrastructure expansion. Meanwhile, PMW is also well-positioned to benefit from the ongoing rollout of 5G and fibre optic network infrastructure, backed by long-standing relationships with telecommunications giants such as Telekom Malaysia (TM) and Celcom Timur (Sabah). In parallel, Digital Nasional

IPO Note – Not rated

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Non-Rated

Share price	**RM0.34**
Target price	**RM0.57**
Previous TP	**-**
Capital upside	67.6%
Dividend return	-
Total return	67.6%

Company profile

PMW International Berhad is primarily involved in the manufacturing of spun poles, spun piles and other concrete products, as well as the design and rental of moulds and machinery used in concrete production.

Stock information

Bursa Code	0379
Bloomberg ticker	PMW MK
Listing market	ACE
Share issued (m)	892.1
Market Cap (m)	303.3
Shariah compliant	YES
MITI allocation	YES

Major shareholders	**%**
Lee United Holding	62.6
JR Silverline	7.4

Earnings snapshot

FYE (Dec)	FY24	FY25f	FY26f
PATMI (m)	16.0	22.0	25.4
EPS (sen)	1.8	2.5	2.8
P/E (x)	19.0	13.8	11.9

Timetable of IPO

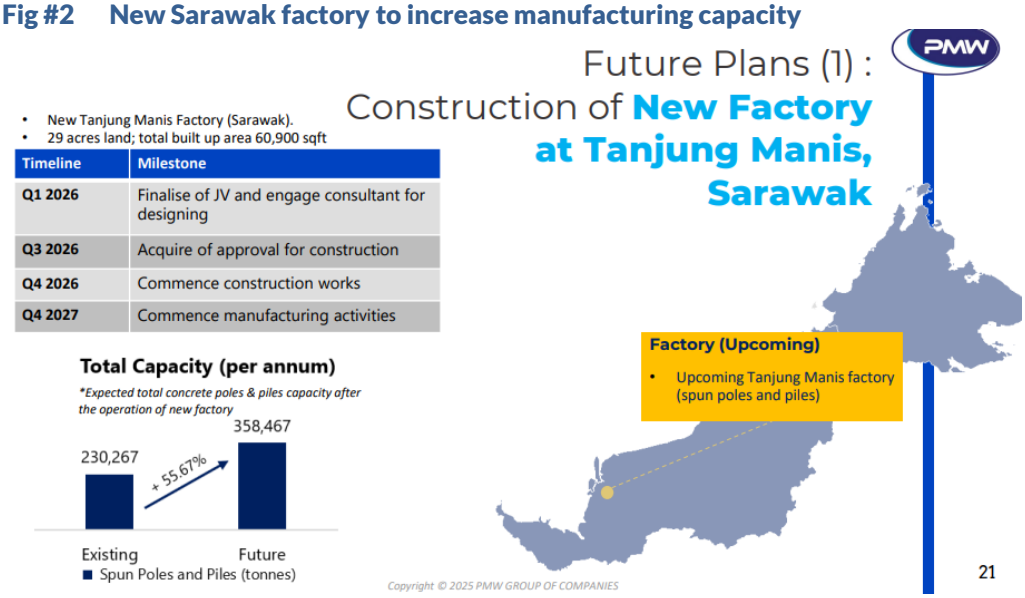
Opening of application	28 October
Closing of application	6 November
Balloting of application	10 November
Allotment of the IPO shares	17 November
Listing on the ACE market	18 November

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Berhad (DNB) has also outlined its RM8.5bn 5G infrastructure plan spanning 2021 to 2031. The accelerated 5G deployment nationwide will require denser network coverage, which is expected to translate into stronger demand for telecom poles, monopoles, square piles and other related telecommunication infrastructure and equipment.

Stronger foothold in East Malaysia. The group plans to construct a new manufacturing facility in Tanjung Manis, Sarawak, with RM46.7m (77.0% of IPO proceeds) allocated for the expansion. The new facility is expected to boost total annual concrete pole and pile capacity by 55.7%, from 230.3k tonnes to 358.5k tonnes, and is slated to commence operations in 4Q27. Together with its existing Kota Kinabalu spun pole and pile factory, the new Sarawak facility will enable PMW to capture infrastructure development opportunities in East Malaysia, supported by catalysts such as the Pan Borneo Highway project and stronger 2026 Budget allocations for Sabah and Sarawak.

Fig #2 New Sarawak factory to increase manufacturing capacity



Source: PMW International Berhad

Continuous market share expansion through utilities, telecommunication and infrastructure projects nationwide. According to the IMR report, PMW generated RM26m in revenue from prestressed spun concrete poles in FY24, equivalent to 18% of Malaysia's total market value of RM142m for prestressed spun concrete poles. We expect PMW to continue expanding its market share, underpinned by nationwide grid upgrades, 5G network expansion, and sustained infrastructure development, which will drive higher demand for its spun poles and piles.

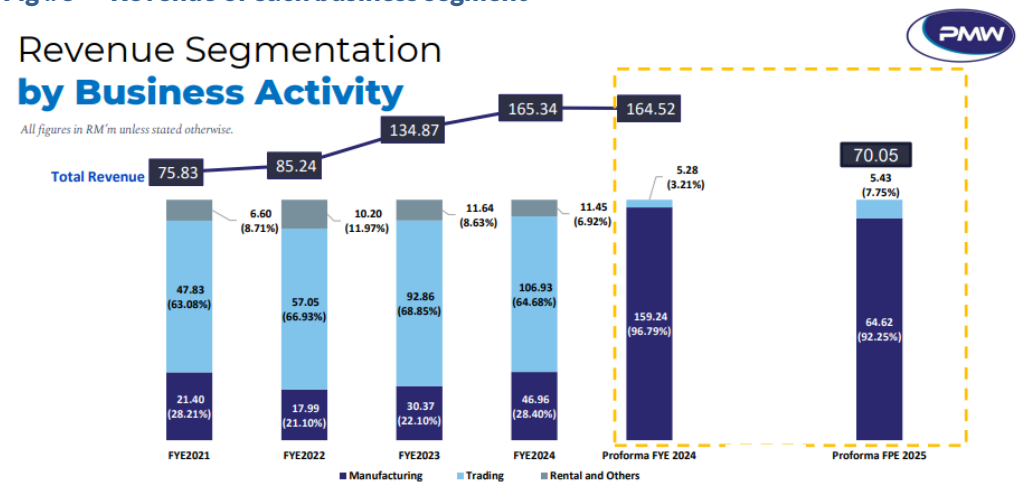
Company background

Incorporated since 1992, PMW International Berhad is a Malaysian manufacturer and trader specialising in concrete products, moulds, machinery, and related metal components for the utilities and infrastructure sectors. The group's core business encompasses the manufacturing of spun poles, spun piles, square piles, and moulds and machinery used in concrete production, as well as the trading of construction materials and other concrete-related products. PMW provides end-to-end solutions, from design and fabrication of moulds and machinery to the production and supply of finished concrete products, serving both domestic and international markets.

The group's customer base spans across manufacturers of concrete products, telecommunications companies, utilities providers, contractors, and distributors, with

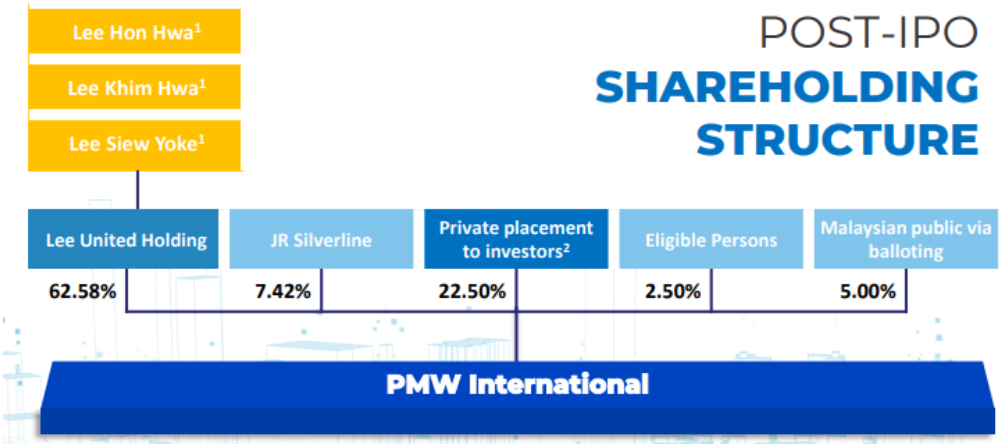
principal market in Malaysia while export markets include the USA, Saudi Arabia, Indonesia, and other countries. In addition to manufacturing and trading, PMW also rents moulds and machinery to customers, generating a recurring income stream alongside its project-based revenue.

Fig #3 Revenue of each business segment



Source: PMW International Berhad

Fig #4 Post-IPO shareholding structure



Source: PMW International Berhad

Substantial Shareholders & Key Senior Management

1. Lee Hon Hwa – Chief Executive Officer

Mr. Lee, aged 48, is the Promoter, substantial shareholder and Chief Executive Officer. He holds a Bachelor of Engineering (Hons) in Manufacturing System Engineering from the University of Hertfordshire, UK, and has over 20 years of experience in the manufacturing and trading of moulds, pre-stressed spun concrete poles, piles and related machinery. He oversees the Group's overall management and business operations, and has been instrumental in PMW's expansion into Sabah and the development of its major production facilities in Ipoh and Kota Kinabalu.

2. Lee Khim Hwa – Chief Business Development Officer

Mr. Lee, aged 53, is the Promoter, substantial shareholder and Chief Business Development Officer. He holds a Bachelor of Commerce from Curtin University of Technology, Australia, and has nearly 30 years of experience in sales, marketing and

project management within the concrete and infrastructure materials industry. He leads the Group's business development strategies, exploring new products and markets domestically and internationally.

3. Lee Siew Yoke – Chief Human Resources Officer
Ms. Lee, aged 54, is the Promoter, substantial shareholder and Chief Human Resources Officer. She holds a Bachelor of Business in Business Management from Charles Sturt University, Australia, and has extensive experience in administration, HR management and production planning. She is responsible for overseeing human resource strategies, employee welfare, recruitment, and ESG-related workforce development initiatives.

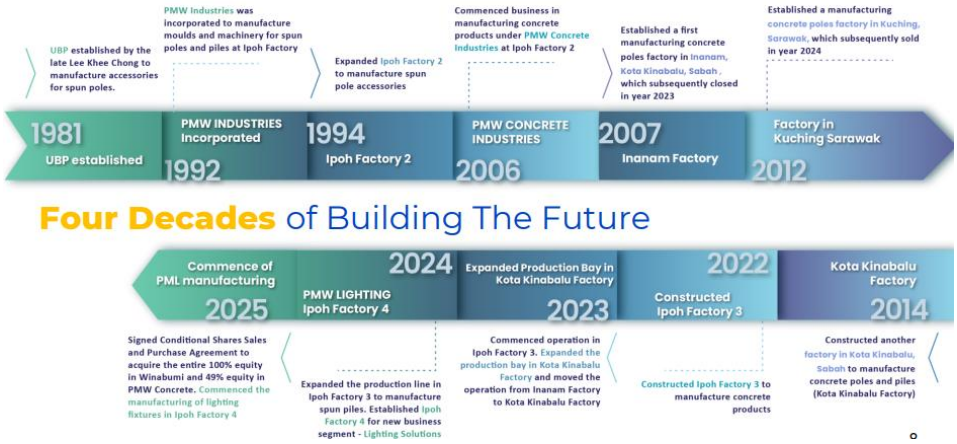
4. Richard Lee – Managing Director of Winabumi Group
Mr. Lee, aged 72, is a substantial shareholder and co-founder of Winabumi, Winabumi Marketing and Mega Summit. He holds a Bachelor of Science in Mechanical Engineering from National Taiwan University and has over four decades of experience in the civil engineering, geotechnical and concrete manufacturing sectors. He oversees PMW's Sabah operations and provides strategic advisory support for East Malaysia.

5. Datuk Brian Lee Cherng Jey – Chief Operating Officer (East Malaysia)
Datuk Brian, aged 43, is a substantial shareholder and Chief Operating Officer (East Malaysia). He holds a Bachelor and Master of Engineering in Civil and Structural Engineering from the University of Bradford, UK, both with distinction. With over 15 years of experience in infrastructure and precast concrete operations, he oversees PMW's East Malaysia business, driving operational efficiency and regional growth.

6. Haji Zulkepli bin Hj. Hussin – Managing Director of PMW Concrete / Chief Compliance Officer
Haji Zulkepli, aged 64, holds a Diploma in Banking (Finance) from the University of London and an MBA from Pacific Western University. He has over 35 years of experience in the concrete products industry, including senior leadership roles in sales and operations. He currently manages PMW Concrete and oversees the Group's compliance in quality assurance, safety, health and environmental standards.

7. Chen See Mei – Chief Financial Officer
Ms. Chen, aged 32, is the Chief Financial Officer. She holds a Bachelor of Commerce (Hons) in Accounting from Universiti Tunku Abdul Rahman, is a member of ACCA and MIA, and brings over eight years of audit and financial management experience from KPMG PLT. She is responsible for the Group's finance functions, including financial reporting, treasury management, tax compliance, and internal control systems.

Fig #5 Corporate milestones



Source: PMW International Berhad

Fig #6 Utilisation of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Construction of a new facility at Tanjung Manis, Sarawak	46.7	77.0	Within 36 months
Purchase of new machinery and equipment	0.6	1.0	Within 6 months
Working capital	5.7	9.4	Within 24 months
Estimated listing expenses	7.7	12.7	Within 3 months
Total	60.7	100.0	

Source: PMW International Berhad

Business overview

Trading (64.7% of FY24). The group is primarily involved in the trading of construction materials and other related products, including cement, steel (rods and wires), sand, and aggregates, as well as concrete additives, diesel and fuel oil, metal and plastic accessories, welding consumables and hand tools. The group also trades spun poles, piles, and other concrete products such as square piles and kicking blocks, alongside a small portion of lighting fixtures, with in-house manufacturing of lighting fixtures commencing in May 2025. A significant portion of trading revenue was derived from sales to Winabumi, PMW Concrete, and Decor Poles. Nevertheless, following the acquisition of Winabumi and PMW Concrete as subsidiaries, intercompany sales ceased, and trading revenue from these entities is now consolidated under the manufacturing segment.

Manufacturing (28.4% of FY24). The group manufactures a range of spun poles and piles, including standard poles, monopoles, decorative poles, and spun piles. In addition, the group designs and manufactures its own moulds and machinery used in the production of concrete products, as well as other metal products such as steel poles for telecommunication and accessories including sockets, bolts, and mould components.

Rental of mould and machinery (6.9% of FY24). The group also generates revenue from the rental of moulds and machinery used in the production of spun poles, spun piles, and square piles, as well as from the rental of material handling equipment. A minimal portion of revenue was contributed by repair and maintenance services. Similar to the trading segment, rental income from Winabumi and PMW Concrete ceased following their acquisition as subsidiaries of the group.

Fig #7 Principal business activities across diversified portfolio



Source: PMW International Berhad

Fig #8 SWOT analysis of PMW

Strength	Weakness
• Established customer base with national utilities and telcos • Improved margins following acquisitions of Winabumi and PMW Concrete • Diverse product portfolio like concrete poles, piles and solar/LED lighting products	• Customer concentration risk given a significant portion of revenue is generated among a few major clients
Opportunity	**Threat**
• Current Kota Kinabalu factory and upcoming factory in Tanjung Manis, Sarawak to capture infrastructure projects in East Malaysia • Rising electricity infrastructure investments • 5G and fiber network rollout	• Competitive market environment • Fluctuating raw material prices • Regulatory and policy changes

Source: M+ Research

Financials

Revenue and income highlights. The group reported a RM30.5m or 22.6% YoY growth in revenue, increasing from RM134.9m in FY23 to RM165.3m in FY24, mainly contributed by increases in the manufacturing and trading segments.

(i) Revenue from the manufacturing segment increased by RM16.6m or 54.6% to RM47.0 million in FY24 (FY23: RM30.4m), thanks to the increase in sales from the manufacture of spun poles and piles

(ii) Meanwhile, revenue from the trading segment increased by RM14.1m or 15.2% to RM106.9m in FY24 (FY23: RM92.9m), thanks to higher revenue from trading of lighting fixtures, construction materials, spun poles and piles and other concrete products.

(iii) Nevertheless, the overall increase in revenue was offset by the decline in the rental segment by RM0.2m or 1.6% to RM11.5m, mainly due to the decrease in maintenance and repair services for moulds and machinery.

Following the increase in revenue, core PAT attributed to shareholders saw an increase of RM1.7m or 11.7%, from RM14.3m in FY23 to RM16.0m in FY24.

Balance sheet. The group held a total asset of RM195.4m in FPE25, an increase of RM13.4m or 7.3% from RM182.0m in FY24, primarily due to the increase in trade receivables, property plant and equipment, and cash and cash equivalents. Meanwhile, the total liabilities saw a minor decrease from RM95.4m in FY24 to RM93.5m in FPE25, thanks to the reduction in loans and borrowings and also other payables, deposits received and accruals. Total equity of the group grew from RM86.6m to RM101.9m due to higher retained earnings. This group is in a gearing position of 0.47 times prior to the listing.

Cash flow. Following the increase in PBT, the group recorded a higher net cash from operations, increasing from RM12.5m in FY23 to RM21.1m in FY24. Net cash used in investing activities decreased from a net inflow of RM0.1m in FY23 to a net outflow of RM5.9m in FY24, attributed to the purchase of property, plant and equipment. Lastly, cash flow used in financing activities recorded a surge from an outflow of RM6.7m in FY23 to an outflow of RM7.2m in FY24, caused by higher dividends paid. Meanwhile,

for FPE25, the group continued to show healthy net cash flow, with a net increase of RM5.8m in cash and cash equivalents.

Earnings forecasts. Moving forward, we project a 3-year earnings CAGR of 23.3%, with core PATMI expected to reach RM22.0m, RM25.4m and RM29.9m over the next three years, largely supported by (i) stronger margins following the acquisitions of Winabumi and PMW Concrete, (ii) tagging along the growth of TNB capex and 5G network expansion nationwide and also (iii) commencement of new plant in Tanjung Manis, Sarawak starting 4Q27.

Fig #9 Financial Highlights

FYE Dec (RM m)	FY23	FY24	FY25f	FY26f	FY27f
Revenue	134.9	165.3	190.6	212.2	241.3
EBITDA	22.0	24.8	33.0	37.9	44.4
EBIT	22.0	24.8	33.0	37.9	44.4
PBT	21.3	23.7	31.5	36.4	42.9
PAT	15.5	17.4	24.1	27.8	32.7
PATMI – Core	14.3	16.0	22.0	25.4	29.9
PATMI – Reported	14.3	16.0	22.0	25.4	29.9
% change YoY – Core PATMI	63%	12%	38%	15%	18%
Core EPS (sen)	1.6	1.8	2.5	2.8	3.4
P/E (x)	21.2	19.0	13.8	11.9	10.1
EV/EBITDA (x)	14.3	12.7	9.5	8.3	7.1
DPS (sen)	0.6	-	-	-	-
Yield (%)	2%	0%	0%	0%	0%
BVPS (RM/share)	0.1	0.1	0.2	0.2	0.3
P/B (x)	4.3	3.9	1.7	1.5	1.3
ROE (%)	21%	21%	17%	14%	14%
Net Gearing (x)	0.0	0.1	CASH	CASH	CASH

M+ Research

Valuations

We assign a fair value of RM0.57 per share for PMW, representing a 67.6% upside from its share price of RM0.34. This valuation is based on a P/E ratio of 20.0x, pegged to the FY26 EPS of 2.85 sen.

We believe the ascribed P/E multiple is fair, given that the average 12-months forward P/E and historical P/E multiples of its peers stood at 19.9x to 20.4x.

Fig #10 Peer comparison

Company	Market Group	FYE	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)
PMW International Bhd	**Ace**	**Dec**	**0.34**	**303.3**	***19.0**	****12.3**	***21.0**	***10.5**
IJM Corp Bhd	MAIN	Dec	2.45	8,587.7	20.8	16.2	4.1	6.5
Sarawak Consolidated Industrie	MAIN	Dec	0.25	174.8	-	-	(1.2)	(1.1)
Concrete Engineering Products	MAIN	Mac	1.18	88.1	4.5	-	26.5	32.8
Sunway Bhd	MAIN	Mac	5.50	34,239.5	32.3	31.8	8.3	14.6
Cahya Mata Sarawak Bhd	MAIN	Mac	1.57	1,687.5	23.9	11.6	2.1	10.7
Avg ex-PMW International Bhd				**8,955.5**	**20.4**	**19.9**	**7.9**	**12.7**

*Source: M+ Research (*FY24, **FY26f)*

Investment risks

Non-recurrent revenue risk. The group's revenue is largely project-based, derived from contracts or purchase orders for specific goods. Failure to secure continuous new projects or recurring orders in sufficient volume may adversely affect business sustainability and future earnings.

Raw material fluctuations risk. Steel, cement, sand, and aggregates form a major portion of PMW's cost base. As these materials are subject to price fluctuations, any inability to pass on higher costs to customers could pressure margins and profitability.

Operational disruption risk. Manufacturing activities are exposed to supply chain disruptions, machinery breakdowns and shortages of electricity, fuel, or labour. Disasters such as fires and floods could further disrupt operations, causing production delays, financial losses, and reputational damage.

Regulatory and compliance risk. PMW must comply with stringent Health, Safety, and Environmental (HSE) laws and factory operation regulations. Non-compliance or workplace incidents could lead to penalties, suspension of operations, or reputational harm

Factory and safety hazard risk. The group's factories face inherent risks such as equipment failure, fires, and natural disasters. Such incidents may cause production downtime, asset damage, or loss of inventory, impacting financial performance.

Key personnel dependency risk. The group's success is highly dependent on the experience and leadership of its executive directors and senior management. The loss of any key personnel without suitable replacement could affect operations and strategic execution.

Environmental, Social & Governance (ESG) Practices

Environmental

- **Energy efficiency and emission reduction.** PMW adopts energy-efficient practices across its manufacturing operations to reduce greenhouse gas (GHG) emissions, with ongoing initiatives to enhance the use of renewable energy sources and improve overall energy performance.
- **Resource management**. The group promotes sustainable resource use by minimising production waste, recycling materials where feasible, and optimising input usage to reduce environmental footprint.
- **Regulatory compliance.** Regular environmental impact assessments are conducted to identify potential risks and areas for improvement, ensuring full compliance with applicable environmental laws, standards, and regulations.

Social

- **Occupational health and safety (OSH).** PMW prioritises OHS through robust policies aimed at reducing workplace hazards and ensuring a safe, healthy, and inclusive work environment.
- **Fair labour practices**. The group upholds gender equality and cultural diversity with fair treatment, equal pay, and career development opportunities for all employees.
- **Community engagement.** PMW actively engages with local communities through CSR initiatives focused on education, environmental conservation, and social welfare.

Governance

- **Strong board structure.** At least half of PMW's board members are independent, with women directors comprising at least 30% of the board. The Audit and Risk Management Committee is composed entirely of independent directors, and the Independent Non-Executive Chairman does not serve on any other board committees.
- **Anti-Bribery and Whistleblowing policies.** The group enforces strict anti-bribery and anti-corruption measures, supported by comprehensive policies including a whistleblowing policy, code of conduct, and ethics framework.
- **Malaysian Code on Corporate Governance (MCCG) compliance.** PMW maintains a robust governance structure and internal control system in line with MCCG, ensuring transparency, accountability, and compliance with all statutory requirements.

Overall ESG comments: We view PMW International Berhad's ESG practices as fair and satisfying. The group demonstrates sound governance through a well-structured board composition, independent oversight and clear anti-corruption policies. Socially, PMW's emphasis on workplace safety, inclusivity and community engagement reflects its responsible corporate culture. Environmentally, its focus on energy efficiency, emission reduction, and sustainable resource use signals a growing commitment toward environment sustainability within its manufacturing operations.

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Stock recommendation guide	
BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned