Inspace Creation Berhad (INSPACE)

Fitting Out Malaysia's Offices, One Project At A Time

- **Inspace Creation Berhad is a Malaysian-based full-service commercial interior fit-out contractor, principally engaged in (i) project planning and management, (ii) design conceptualisation and build covering mechanical & electrical works and IT installation in-house, and (iii) post-completion repair and maintenance services, with a focus on commercial office properties across the Klang Valley.**
- **We project 3-year earnings CAGR of 14.3%, with core PATMI expected to reach RM10.0m-RM12.1m over the next three years. This growth is underpinned by (i) the continuous demand for interior fitting-out expertise by INSPACE's clients and also (ii) the Group's upcoming sector and geographical expansions.**
- **We assign a fair value of RM0.36 for INSPACE, indicating a 44.0% upside from the IPO price of RM0.25. This valuation is based on a P/E multiple of 12.5x pegged to mid-FY27f EPS of 2.88 sen.**

Investment highlights

Benefitting from various market conditions. INSPACE's demand is fundamentally driven by commercial tenants' ongoing requirements for space optimization. Even during periods of organizational downsizing, companies will seek INSPACE's interior fitting-out expertise to reconfigure and optimize smaller spaces for maximum functional and operational efficiency. This was notably demonstrated during the COVID-19 period, whereby booming sectors like logistics and delivery engaged the Group for office expansions, while companies facing contraction simultaneously relied on the Group to execute precise fit-outs for their downsized premises.

Grade G7 CIDB registration for unlimited tender. INSPACE's G7 contractor status qualifies the Group to tender for projects of unlimited contract value across Malaysia, which sets the Group apart from most SME fit-out players. Coupled with ISO 9001:2015 accreditation and multiple industry awards, the Group is able to command higher credibility when competing for blue-chip commercial clients, particularly MNCs.

New revenue sources through geographical and sector expansions. INSPACE is actively diversifying its project pipeline by participating in tenders outside the Klang Valley; in parallel, the Group is also broadening its portfolio into other commercial segments like hotel lobbies, common areas, and show galleries. To support this, the Group plans to engage with property developers and main contractors to participate in tenders for these projects.

Storage and mock-up space establishment to drive cost efficiency and client conversion. INSPACE intends to establish a storage and mock-up space by acquiring a ~4.8k sqft. industrial building in the Klang Valley. The 3.0k sqft. storage facility will enable bulk procurement of frequently used materials at preferential rates, directly enhancing cost efficiency; while the 1.8k sqft. mock-up space will serve as a semi-permanent showroom to provide clients a visual representation of furniture and fitting options, aiding their decision-making and feedback process for project conversion.

Market share poised for growth. According to the IMR report, INSPACE has a 1.3% market share of the RM6.2bn work done for interior fitting-out services, installations works and specialised construction activities, against its FY25 revenue of RM78.6m. Nevertheless, we anticipate INSPACE's market share to continue growing, supported by its geographical and sector expansions. Meanwhile, the value of work done for interior fitting-out services is also expected to rise from RM2.8bn in 2025 to RM3.5bn in 2027 at a CAGR of 11.8%, supported by tailwinds like growth in commercial

IPO Note – Not rated

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Non-Rated

Share price	**RM0.25**
Target price	RM0.36
Previous TP	-
Capital upside	44.0%
Dividend return	-
Total return	44.0%

Company profile

Incorporated in 2017, Inspace Creation Berhad is a Malaysia-based commercial interior fit-out contractor providing end-to-end services including design, project management, M&E works, and maintenance for office fit-out projects. It holds a G7 CIDB registration and is ISO 9001:2015 certified.

Stock information

Bursa Code	0451
Bloomberg ticker	INSPACE MK
Listing market	ACE
Share issued (m)	369.3
Market Cap (m)	92.3
Shariah compliant	Yes
MITI allocation	No

Major shareholders

	%
Conceptual Holdings	59.4
Wong Chong Siong	14.1

Earnings snapshot

FYE (Nov)	FY25	FY26f	FY27f
PATMI (m)	8.1	10.0	11.2
EPS (sen)	2.2	2.7	3.0
P/E (x)	11.4	9.2	8.2

Timetable of IPO

Opening of application	13 April
Closing of application	22 April
Balloting of application	24 April
Allotment of the IPO shares	4 May
Listing on the ACE market	8 May

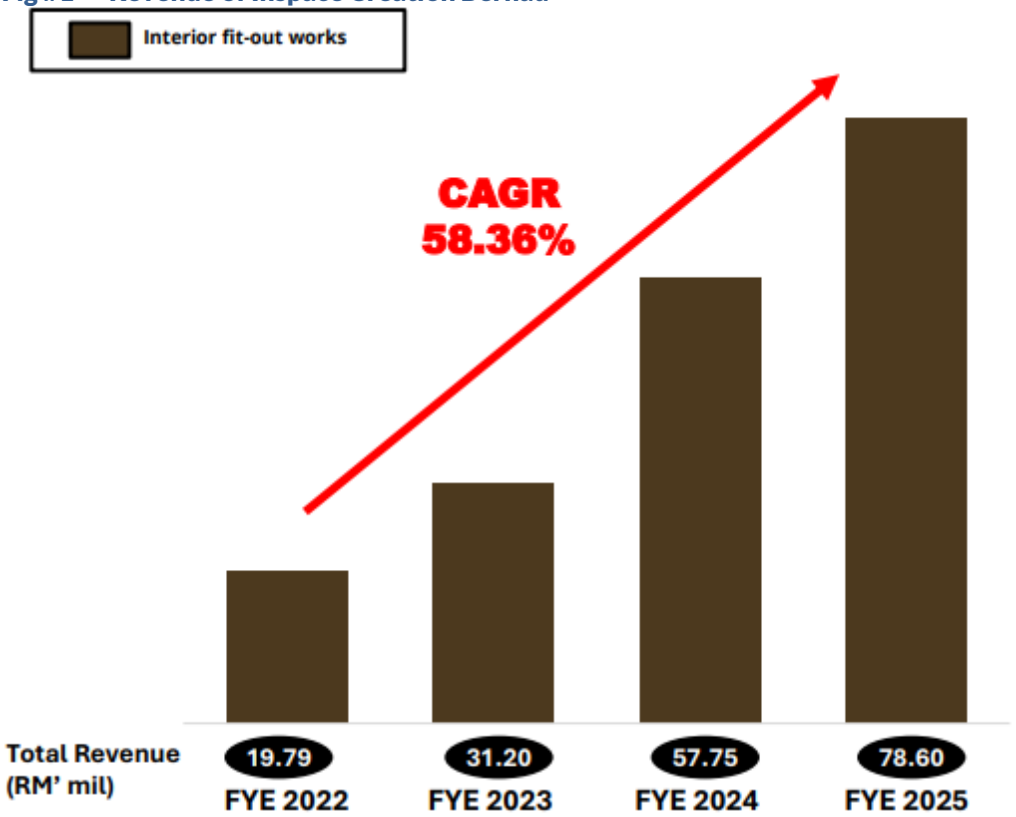
properties, increasing FDIs, and a boost from the tourism and retail sectors.

Company background

Inspace Creation Berhad is principally involved in the provision of comprehensive interior fitting-out services, primarily for the commercial office properties. With an operational track record of approximately 8 years, the Group manages the full project lifecycle, including project planning and management, design conceptualisation, in-house mechanical and electrical (M&E) works, and post-completion maintenance. The scope of these services typically comprises the following principal activities:

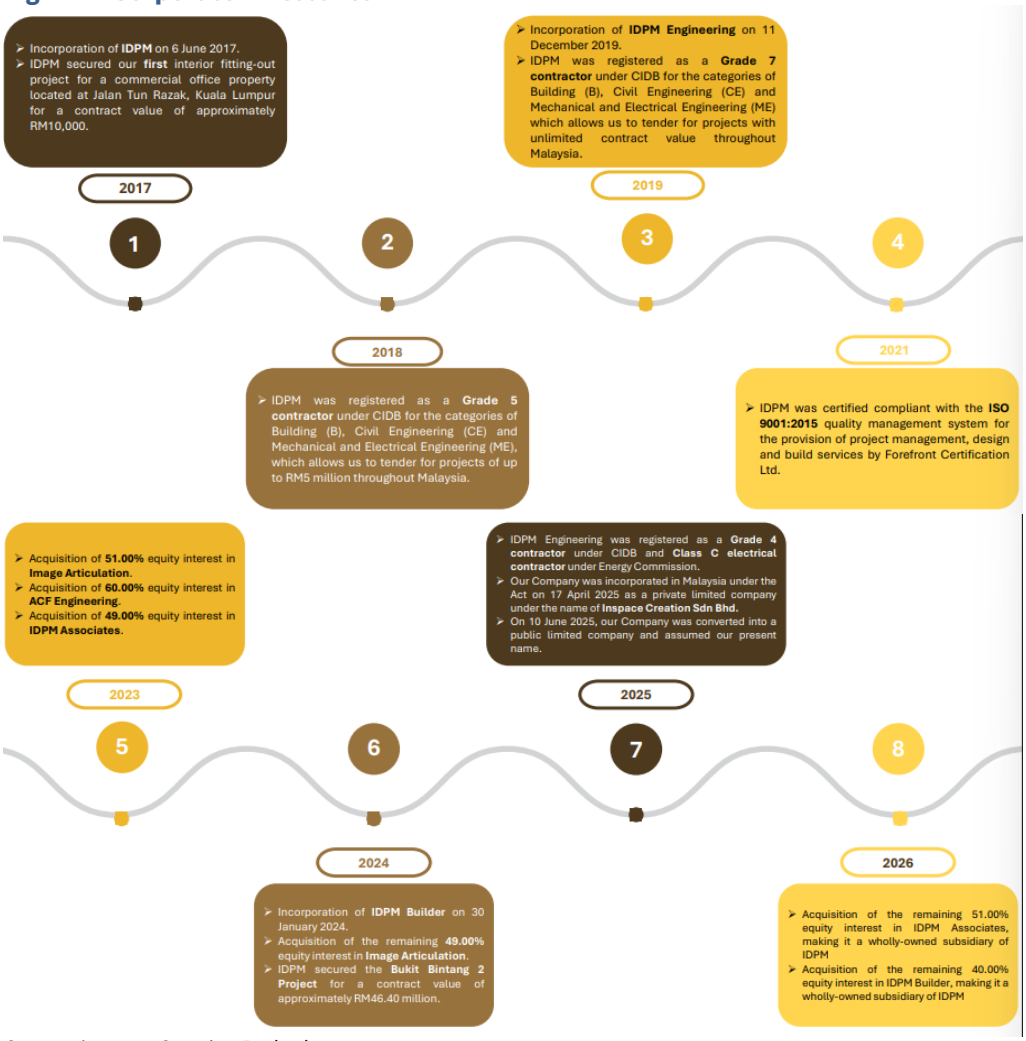
i. **Project planning and management.** The Group provides end-to-end oversight of interior projects by coordinating resources, procurement, and subcontractors to ensure seamless execution and quality compliance.
ii. **Design conceptualisation and build.** This activity transforms office spaces through tailored design concepts and physical construction, integrating in-house mechanical and electrical works, alongside subcontracted structural modifications.
iii. **Servicing and maintenance.** The Group offers ad-hoc repair and maintenance solutions to ensure the long-term functionality of completed commercial spaces and sustain ongoing client relationships.

Fig #1 Revenue of Inspace Creation Berhad



Source: Inspace Creation Berhad

Fig #2 Corporate milestones



Source: Inspace Creation Berhad

Substantial Shareholders and Key Management

1. Wong Chong Siong – Executive Director
He was appointed to the Board on 17 April 2025 and is responsible for the Group's strategic direction and overall management. With over 26 years of industry experience, he began his career in 2000 as a carpenter at E&F Woodwork before serving as a director for several furniture and interior firms, including EF Interiors and EF Furnishing. In 2017, he co-founded IDPM and subsequently IDPM Associates, where he continues to oversee finance, business operations and long-term development strategies.

2. Edward Cheong Han Bin – Executive Director
He was appointed to the Board on 17 April 2025 and is responsible for implementing business strategies and overseeing the Group's commercial operations. A Diploma holder in Interior Design, he has 17 years of experience, including roles as a Project Manager at Black Point Design, Idbox (M), and DSGN Development. In 2017, he co-founded IDPM, where he currently heads the Quantity Surveying Department, managing project budgets and tender requirements. He also serves as a director for several key subsidiaries, including IDPM Engineering, IDPM Associates and IDPM Builder.

3. Muhamad Hakimi Lau – COO

He joined the Group in 2024 and is responsible for overseeing business operations, including project management, construction, site coordinator and site safety functions. With 24 years of relevant working experience, he began his career in the hospitality sector before transitioning to the interior fitting-out industry in 2002. He held various leadership roles at Can.I Interior Fit-Out Sdn. Bhd. from 2009 to 2023, rising from Project Coordinator to Project Director. Prior to joining the Group, he served as General Manager at Quill Design Sdn. Bhd. in 2023, where he managed strategic planning and departmental operations.

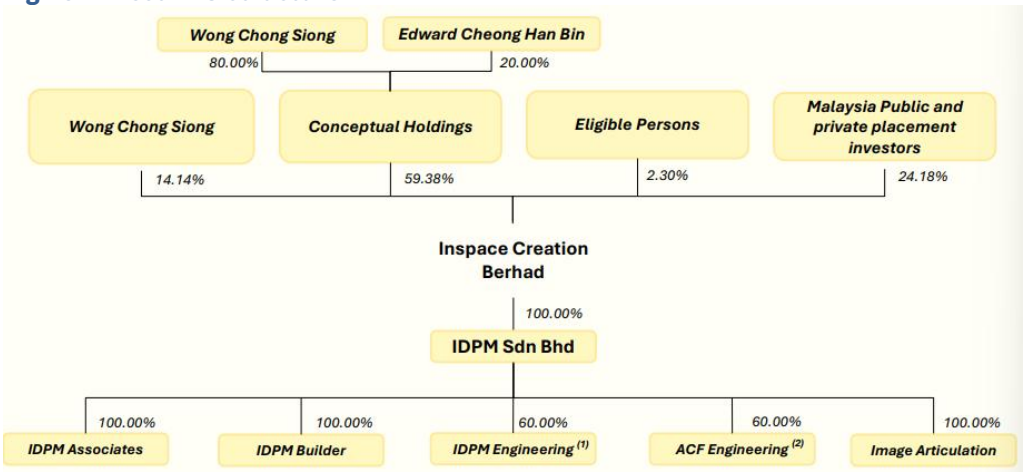
4. Jess Song Yen Hong – Business Development Director

She joined the Group in 2018 as a Business Development Manager and was promoted to her current role in 2025. She is responsible for identifying and securing new clientele and business to drive the Group's business expansion and growth. A graduate of Multimedia University (MMU), she has extensive experience in the banking and finance sector. Her background includes various sales and management positions at UOB, Hong Leong Bank, and AmBank, working as an insurance agent for the Prudential Group, and serving at Price Solutions Sdn. Bhd. handling direct sales and administration for Standard Chartered Bank.

5. Tan Beng Soon – Head of Corporate Affairs cum CFO

He joined the Group in 2025 and is responsible for corporate strategy and corporate development, as well as overseeing all financial and risk management matters including financial reporting and internal control. He is a Chartered Accountant (MIA) and an Associate Member of both CIMA and CTIM. With 29 years of relevant working experience in audit, tax, and the commercial sector, his past positions include serving as an Internal Auditor at Leong Hup Holdings Berhad, Audit Manager at Wong Chau Hwa & Co, and Partner at TBS & Co. A licensed tax agent and approved company auditor, his background provides the Group with deep experience in internal controls, financial analysis, and tax compliance.

Fig #3 Post-IPO structure



Source: Inspace Creation Berhad

Fig #4 Use of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Capital expenditure	6.0	35.0	Within 24 months
Working capital	4.4	25.6	Within 12 months
Repayment of borrowing	2.7	16.0	Within 6 months
Estimated listing expenses	4.0	23.4	Within 3 months
Total	17.1	100.0	

Source: Inspace Creation Berhad

Business overview

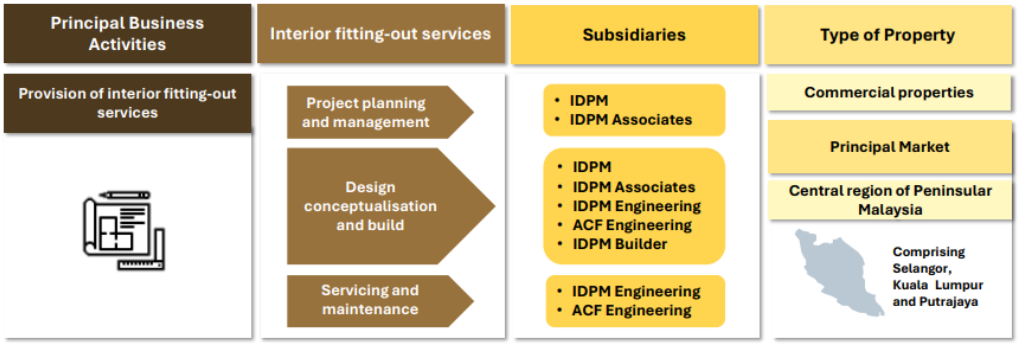
The Group's revenue is derived solely from the interior fitting-out services, which cover the entire project lifecycle from initial planning and design to execution and post-completion maintenance. The scope of interior fitting-out services typically comprises the following activities:

Project planning and management
This segment involves overseeing all aspects of a project from initial consultation through to final completion. Responsibilities typically include project coordination, the engagement of subcontractors, and the procurement of necessary materials and equipment tailored to specific project requirements. During the execution phase, the team manages the sourcing of subcontractors, logistics, workforce deployment, and on-site supervision, while implementing quality control measures to ensure compliance with industry standards.

Design conceptualisation and build
This activity focuses on transforming office spaces into visually appealing and operationally efficient environments by developing design concepts that reflect a client's corporate identity and functional needs. The Group executes the physical build, undertaking mechanical and electrical works as well as IT equipment installation in-house, while managing other specialized trades through subcontractors. This also includes providing addition and alteration (A&A) works, such as refurbishment and remodelling.

Servicing and maintenance
This segment provides ad-hoc repair and maintenance services for completed interior fitting-out works after the expiration of the defect liability period (DLP). These services are typically provided upon request to existing clients to ensure the continued functionality and quality of their commercial spaces. While it is a specialized post-completion offering, it is integrated into the Group's comprehensive service model.

Fig #5 Principal business activities and services provided



Source: Inspace Creation Berhad

Fig #6 SWOT analysis of INSPACE

Strength	Weakness
• Benefitting from various market conditions • Full project lifecycle capability including in-house M&E • G7 CIDB status and ISO 9001:2005 accredited	• Heavy client concentration on client H (25.7% of revenue in FY24 while 40.2% of revenue in FY25)
Opportunity	**Threat**
• Bulk procurement via planned storage facility to improve margins • Expansion into hotels, retail and show galleries • Geographical expansion beyond Klang Valley	• Fixed-price contract exposure to cost overruns • Subcontractor quality and execution risk • Competitive tendering environment

Source: M+ Research

Financials

Revenue and income highlights. The group reported a revenue increase of RM20.9m (36.1% YoY), increasing from RM57.8m in FY24 to RM78.6m in FY25, as the Group managed to complete a higher percentage of interior fitting-out projects. As a result, core PAT attributed to owners of the company increased from RM6.8m in FY24 to RM8.1m in FY25.

Balance sheet. Total assets decreased from RM42.4m in FY24 to RM39.1m in FY25, mainly led by the reduction in trade receivables. Total liabilities also reduced significantly from RM33.1m to RM21.2m over the same period, largely due to the reduction in contract liabilities. Meanwhile, total equity increased from RM9.4m to RM18.0m, thanks to the increase in retained earnings. The group was in a net cash position prior to listing.

Cash flow. Following a higher PBT and trade receivables collected, net cash from operating activities managed to turn from a net outflow of RM3.2m in FY24 to a net inflow of RM10.9m in FY25. Cash flow from investing activities turned from a net inflow of RM1.1m in FY24 to a net outflow of RM0.5m in FY25, mainly due to the absence of inflow from acquisition of combining entities. Cash flow from financing activities turned from an inflow of RM2.5m in FY24 to an outflow of RM6.5m in FY25, as the Group incurred a dividend paid of RM4.5m. Overall, the group continued to generate healthy cash flows, with a net increase of RM4.0m in cash and cash equivalents.

Earnings forecasts. Moving forward, we project a 3-year earnings CAGR of 14.3%, with core PATMI expected to reach RM10.0m, RM11.2m and RM12.1m over the next three years, underpinned by (i) continuous demand for interior fitting-out expertise by INSPACE's clients for space optimization and (ii) the Group's upcoming sector and geographical expansions.

Fig #7 Financial Highlights

FYE Nov (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Revenue	57.7	78.6	94.3	108.5	119.3
EBITDA	9.8	12.4	14.7	16.9	18.5
EBIT	9.3	11.7	13.8	15.3	16.5
PBT	9.0	11.4	13.6	15.3	16.5
PAT	7.1	8.4	10.4	11.6	12.5
PATMI – Core	6.8	8.1	10.0	11.2	12.1
PATMI – Reported	6.8	8.1	10.0	11.2	12.1
% change YoY – Core PATMI	175%	20%	24%	12%	8%
Core EPS (sen)	1.8	2.2	2.7	3.0	3.3
P/E (x)	13.7	11.4	9.2	8.2	7.6
EV/EBITDA (x)	8.4	6.7	5.6	4.9	4.5
DPS (sen)	1.2	-	-	-	-
Yield (%)	5%	0%	0%	0%	0%
BVPS (RM/share)	0.0	0.0	0.1	0.1	0.2
P/B (x)	10.5	5.4	2.1	1.7	1.4
ROE (%)	95%	63%	33%	23%	20%
Net Gearing (x)	0.0	CASH	CASH	CASH	CASH

M+ Research

Valuations

We assign a fair value of RM0.36 per share for INSPACE, representing a 44.0% upside from the IPO price of RM0.25. This valuation is based on a P/E multiple of 12.5x pegged to mid-FY27f EPS of 2.88 sen.

Although its peers in the interior fit-out services are trading between P/E multiples of 14.7x to 14.8x, we believe the assigned P/E multiple is fair, as the discount would reflect INSPACE's smaller market capitalization of RM92.3m compared to its peers' average of RM431.3m.

Fig #8 Peers comparison

	Market Group	FYE	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)
Inspace Creation Berhad	**ACE**	**Nov**	**0.25**	**92.3**	***11.4**	****7.4**	***62.7**	***10.3**
Signature Alliance Group Bhd	ACE	Dec	0.73	730.0	14.8	N/A	28.8	9.1
Adnex Group Bhd	ACE	Dec	0.27	135.0	14.6	N/A	N/A	9.8
Avg ex-Inspace Creation Berhad				**432.5**	**14.7**	**N/A**	**28.8**	**9.5**

Source: M+ Research (*FY25, **FY27f)

Investment risks

Project-based dependency and order book replenishment. The Group's performance relies on its ability to continuously secure new contracts and replenish its order book. As of the LPD, it holds an unbilled order book of RM30.3m across 18 projects, expected to be recognized within 3 to 6 months. Any failure to win new tenders at similar margins, or unforeseen cancellations in existing contracts, would materially impact the Group's financial standing and growth.

Unanticipated cost overruns. The Group's profitability depends on accurate cost estimation during the tendering process, while unforeseen factors such as inflation, shipment delays, or disputes could cause actual costs to exceed estimates. As

contracts are typically fixed price, any significant deviation from budgeted costs would force the Group to absorb losses, adversely affecting financial performance.

Dependency on subcontractors. The Group relies on subcontractors for installation and material supply, with costs accounting for 85.9%, 89.7%, 87.0% and 89.1% of total cost of sales for FY22, FY23, FY24 and FY25 respectively. The Group remains liable for any subcontractor non-performance, defects, or delays, while any failure to rectify substandard work or recover costs from subcontractors could harm the Group's reputation and financial performance.

Environmental, Social and Governance (ESG) Practices

Environmental:

- Promoting sustainable construction and the use of eco-friendly materials to help clients achieve Green Building Index (GBI) or GreenRE certifications.
- Enhancing energy and water efficiency by integrating LED lighting, energy-saving systems, and water-saving fixtures into building designs.
- Reducing construction waste by utilizing prefabricated methods and implementing on-site waste segregation and recycling for materials like metal, wood, and plastic.

Social:

- The Group promotes equal opportunity, with a workforce of 67 employees (60% male, 40% female) and a Board of 6 Directors (including 2 females). The ethnic breakdown of the workforce is approximately 55% Chinese, 39% Malay, 5% Indian, and 1% foreign.
- Employees are encouraged to attend training and educational programs to enhance skill sets and marketability. The Group aims to retain and attract talent through professional development and competitive remuneration packages.
- The Group prioritizes a zero-incident environment in compliance with OSHA 1994. Efforts include establishing safety protocols, providing ongoing training, and monitoring performance. No safety incidents were recorded during the periods under review up to the LPD.

Governance:

- The Group adheres to the MCCG, with a Board consisting of 67% independent directors (4 out of 6) and 33% female representation (2 out of 6). Additionally, the Audit and Risk Management Committee is composed solely of independent directors.
- Comprehensive frameworks are in place to ensure integrity, including an Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy, and a Code of Conduct stipulated in the Board Charter.
- The Group maintains a formal organizational structure with clear lines of accountability and a Privacy Notice compliant with the Personal Data Protection Act 2010 to safeguard stakeholder data.

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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