EI Power Berhad (EIPOWER)

Powering The Future with Data Centre and Renewable Energy

- **EI Power Berhad is a Malaysia-based power engineering firm principally involved in the Engineering, Procurement, Construction and Commissioning (EPCC) of (i) mission critical power solutions for data centres, (ii) conventional power solutions for commercial, industrial and residential buildings, and (iii) renewable energy power solutions via solar PV systems.**
- **We project 3-year earnings CAGR of 23.9%, with core PATMI expected to reach RM27.8m-RM36.8m over the next three years. This growth is underpinned by (i) higher technical complexity in the mission-critical segment due to the data centre boom, (ii) geographical expansion into Thailand and (iii) continuous growth in the renewable energy segment.**
- **We assign a fair value of RM0.66 per share for EIPOWER, indicating a 37.5% upside from the IPO price of RM0.48. This valuation is based on a PE ratio of 15.0x, pegged to mid-FY27f EPS of 4.40 sen.**

Investment highlights

Primary beneficiary of the data centre boom. Given the exponential growth of AI infrastructure in Malaysia has created a surge in demand for reliable backup power, we view EIPOWER's ability to design mission critical support solutions which provide 24–48 hours of emergency power would make the Group a reliable partner for the data centre operators. Meanwhile, the Group's technical capability of handling all five commissioning levels would also allow it to manage complex project lifecycles.

Technical moat through Tier certifications. The Group's systems are engineered to meet Uptime Institute Tier I through Tier IV standards, which could act as a prerequisite or grading system for the "blue-chip" data centre clients who cannot afford downtime and require uninterrupted and consistent power supply. By managing massive generator sets exceeding 10 MVA capacity, the Group competes in a high-value niche that excludes smaller, less technical SME contractors.

Margin improvement driven by mission critical segment. Both GP margin (16.4% in FY22 to 40.1% in FY25) and PAT margin (7.4% in FY22 to 25.0% in FY25) of EIPOWER improved over the years, thanks to the higher technical complexity and stringent Tier I–IV commissioning requirements from its data centre clients. With mission critical segment continue to experience strong demand and dominate the revenue mix, we anticipate EIPOWER to enjoy stronger margins moving forward.

New recurring revenue via Building Energy Efficiency Systems. Post-IPO, the Group is planning to enter the energy efficiency market by upgrading commercial infrastructure such as chiller plants and lighting at zero upfront cost to clients through shared-savings framework, whereby the Group will recover its investment by taking a pre-agreed percentage of the actual electricity savings generated over time. We favour this as it pivots the Group from a one-off EPCC model to multi-year recurring income.

Benefitting from the renewable energy sector. The Group is a registered solar PV Service Provider under SEDA, utilizing advanced PV system modelling to deliver turnkey solar solutions. With completed utility-scale projects in Nilai (3.90MWp) and Subang Jaya (2.30MWp), the Group is well-positioned to benefit from Malaysia's National Energy Transition Roadmap (NETR) as commercial and industrial clients seek to lower their carbon footprints.

IPO Note – Not rated

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Non-Rated

Share price	**RM0.48**
Target price	**RM0.66**
Previous TP	-
Capital upside	37.5%
Dividend return	-
Total return	37.5%

Company profile

Incorporated in 2010, EI Power Berhad is primarily involved in the EPCC of (i) mission critical power solutions for data centres, (ii) conventional power solutions for residential and C&I buildings, and also (iii) renewable energy power solutions via solar PV systems.

Stock information

Bursa Code	0453
Bloomberg ticker	EIPOWER MK
Listing market	ACE
Share issued (m)	700.0
Market Cap (m)	336.0
Shariah compliant	Yes
MITI allocation	Yes

Major shareholders

	%
Energy Ikon Sdn Bhd	51.0
Siew Wei Foo	11.4
OCK Group Berhad	6.6

Earnings snapshot

FYE (Dec)	FY25	FY26f	FY27f
PATMI (m)	19.3	27.8	33.7
EPS (sen)	2.8	4.0	4.8
P/E (x)	17.4	12.1	10.0

Timetable of IPO

Opening of application	21 April
Closing of application	6 May
Balloting of application	11 May
Allotment of the IPO shares	18 May
Listing on the ACE market	21 May

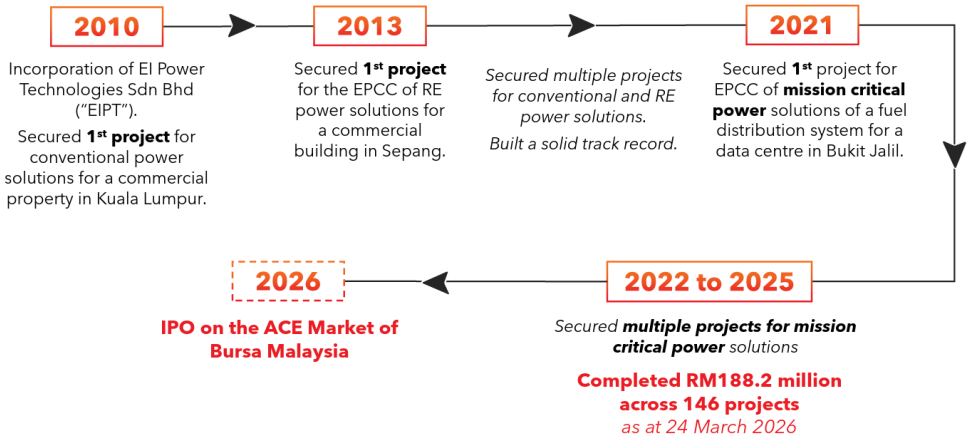
Geographical expansion into Thailand. Leveraging its technical track record in Malaysia, EIPOWER established its first international footprint via EI Power (Thailand) Co. Ltd in July 2025 and has already submitted 4 tenders for fuel distribution systems totalling approximately RM75.3m. While the Group's Thailand subsidiary license is still pending approval from Thailand Board of Investment, we like the fact that EIPOWER is able to generate extra revenue across the region upon its license approval.

Company background

Incorporated in 2010, EI Power Berhad is an integrated power engineering solutions provider in Malaysia, with operations primarily divided into following three segments:

i. **Mission critical power solutions.** Provides EPCC services of backup diesel generation and fuel distribution systems for mission-critical facilities, including data centres, semiconductor plants, military facilities and financial institutions, which are generally large scale and require more complex power generation and distribution systems due to their stringent requirements for uninterrupted, reliable and consistent power supply
ii. **Conventional power solutions.** Provides EPCC services for backup diesel generation and fuel distribution systems in commercial, industrial and residential buildings.
iii. **Renewable energy power solutions.** EPCC of solar PV systems for residential, commercial, and industrial buildings, as well as solar farms.

Fig #1 Corporate milestones



Source: EI Power Berhad

Substantial Shareholders and Key Management

1. Ir. Albert Chang – Executive Director, CEO
He was appointed to the Board on 14 May 2025 and is the co-founder of EIPT. He graduated with a Bachelor of Electrical and Electronics Engineering (Honours) from Universiti Tenaga Nasional in 2002 and is a registered Professional Engineer (Electrical) with the Board of Engineers, Malaysia. He has approximately 24 years of experience in the power engineering industry, including roles at Panasonic Industrial Devices, SECM Sdn Bhd, and KTA Tenaga before co-founding the Group in 2010. He is responsible for developing growth strategies and managing the Group's overall operations and business development.

2. Sharon Mak – Executive Director, COO
She was appointed to the Board on 16 July 2025. She graduated with a Bachelor of Commerce from Monash University, Australia, in 2000 and is a member of CPA

Australia. She began her career at Deloitte before holding finance and management roles at MCT Berhad and Wengcon Machinery. Since joining the Group in 2010, she has overseen market feasibility and sales activities. She is primarily responsible for implementing business growth plans and managing the Group's sales, marketing, and human resource functions.

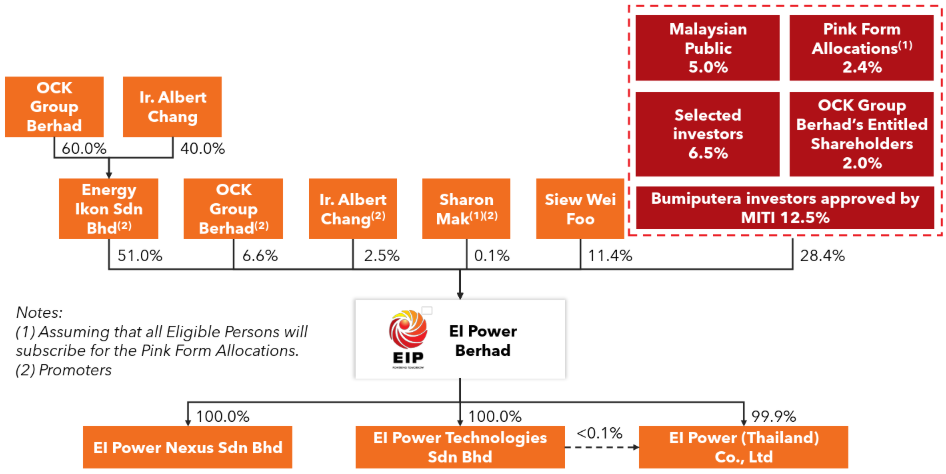
3. Yong Shan Miao – Head of Finance
She is responsible for overseeing the Group's overall accounting and finance functions. She obtained an Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College in 2011 and is a Fellow Member of ACCA and a member of the Malaysian Institute of Accountants. Her career includes audit roles at PricewaterhouseCoopers and finance management positions at MCT Berhad, MLDC Berhad, and Sime Darby Property Berhad. She joined the Group in February 2025 to lead the newly established independent finance team.

4. Muhammad Aikal Bin Hashim – Head of Division (Mission critical power solutions)
He is responsible for overseeing the project teams executing mission-critical power projects, primarily for data centers. He obtained a Malaysian Skills Diploma in Mechatronics Technology from Auto Prima College in 2014, and has over 13 years of industry experience, previously serving in technical roles at Allied Sakkushi (M) Sdn Bhd and Indkom Engineering Sdn Bhd. He joined the Group in 2022 and was promoted to his current leadership role in February 2025.

5. Abdul Raof Bin Sharif – Head of Division (Conventional power solutions)
He is responsible for managing the project teams for conventional backup power systems in commercial and residential buildings. He graduated with a Diploma in Mechanical Engineering (Plant) from Politeknik Sultan Abdul Halim Mu'adzam Shah in 2007, and has over 16 years of relevant experience, including roles as a CAM Designer and Site Engineer before joining EIPT as a Project Engineer in 2013.

6. Muhammad Aiman Nabil Bin Mahadhir – Head of Division (Renewable energy power solutions)
He manages the project teams responsible for the installation and commissioning of solar PV systems. He obtained a Diploma in Electronics Engineering (Communication) from Politeknik Sultan Salahuddin Abdul Aziz Shah in 2020. He began his career as a Project Coordinator at B-Band Communications before joining the Group as an Assistant Engineer in 2021, and was promoted to Head of Division in February 2025.

Fig #2 Post-IPO structure



Source: EI Power Berhad

Fig #3 Use of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Acquisition and setup of new headquarters cum warehouse	18.3	29.4	Within 36 months
Capex for installation of building energy efficiency systems	10.0	16.1	Within 24 months
Establishment of an office in Thailand	1.4	2.2	Within 24 months
Establishment of a branch office cum warehouse in Johor	2.3	3.7	Within 24 months
Working capital	25.0	40.1	Within 24 months
Estimated listing expenses	5.3	8.5	Within 1 month
Total	62.2	100.0	

Source: EI Power Berhad

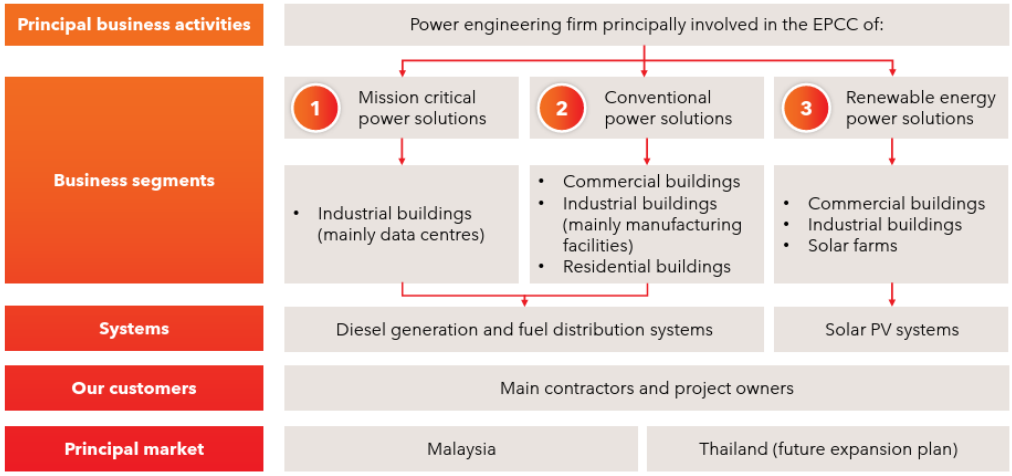
Business overview

EPCC of mission critical power solutions (86.3% of FY25 revenue)
Primarily serving data centres, the Group builds sophisticated diesel generation and fuel distribution networks that ensure continuous operations for 24–48 hours during a power failure. These systems are engineered to meet global Uptime Institute Tier I to Tier IV standards, and the Group also manages the entire technical lifecycle, from the installation of massive 10 MVA generator sets and bulk fuel storage to the final "Level 5" commissioning.

EPCC of conventional power solutions (6.9% of FY25 revenue).
This segment focuses on the installation and commissioning of standard diesel backup systems for commercial, industrial, and residential high-rises, which are designed to provide 6–12 hours of emergency electricity for essential life-safety systems like elevators and fire alarms.

EPCC of renewable energy power solutions (6.8% of FYE 2025 revenue).
This segment involves the turnkey delivery of solar PV systems, ranging from industrial rooftop installations to utility-scale solar farms. As a registered SEDA service provider, the Group provides end-to-end services, including solar resource modelling using PVsyst software to optimize energy yields.

Fig #4 Principal business activities and services provided



Source: EI Power Berhad

Fig #5 SWOT analysis of EIPOWER

Strength	Weakness
• Ability to meet Uptime Institute Tier I through Tier IV standards • High capacity project experience (>10 MVA) • Margins improvement over the years • Regulatory credentials like G7, Class A EC and SEDA	• Purely project-based revenue currently
Opportunity	**Threat**
• Recurring income through Building Energy Efficiency Systems • Regional expansion into Thailand • AI infrastructure and data centre boom	• Execution risk in Thailand amid pending licence approval • Steel and copper commodity price volatility

Source: M+ Research

Financials

Revenue and income highlights. The Group reported a revenue increase of RM27.0m (53.6% YoY), increasing from RM50.4m in FY24 to RM77.4m in FY25, mainly due to higher revenue contribution from the provision of mission critical power solutions. Revenue from the mission critical power solutions segment increased from RM38.4m in FY24 to RM66.8m in FY25, as the Group managed to commence new data centre projects and experienced higher level of installation activities across its other data centre projects. Similarly, the renewable energy power solutions segment also saw a marginal increase from RM5.0m in FY24 to RM5.2m in FY25, indicating a RM0.2m or 4.0% increase. However, the revenue increase was partially offset by the reduction in revenue contribution from conventional power solutions segment, decreasing from RM7.0m in FY24 to RM5.4m in FY25. Following the increase in revenue, PAT also saw an increase from RM9.1m in FY24 to RM19.3m in FY25.

Balance sheet. Total assets increased from RM38.3m in FY24 to RM47.3m in FY25, mainly driven by the increase in short-term cash investment in money market and also cash and bank balances. Total liabilities also increased from RM23.8m to RM27.5m over the same period, largely due to the increase in trade payables and current tax liabilities. Total equity increased from RM14.5m to RM19.8m, 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 lower increase in trade and other receivables, net cash from operating activities surged from RM1.8m in FY24 to RM19.1m in FY25. Meanwhile, cash flow from investing activities turned from a net outflow of RM7.3m in FY24 to a net inflow of RM1.9m in FY25, mainly due to the positive net changes in amount owing by related parties. Cash flow from financing activities turned from an inflow of RM0.7m in FY24 to an outflow of RM18.2m in FY25, following the surge in dividends paid and repayment of bankers' acceptance. Overall, the Group generated a net increase of RM2.8m in cash and cash equivalents in FY25.

Earnings forecasts. Moving forward, we project a 3-year earnings CAGR of 23.9%, with core PATMI expected to reach RM27.8m, RM33.7m and RM36.8m over the next three years. This growth is underpinned by (i) higher technical complexity in the mission critical segment due to the data centre boom, (ii) geographical expansion into Thailand and (iii) continuous growth in the renewable energy segment.

Fig #6 Financial Highlights

FYE Dec (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Revenue	50.4	77.4	113.3	137.7	150.6
EBITDA	11.2	25.8	37.3	46.5	52.4
EBIT	10.9	25.4	36.4	44.1	48.1
PBT	12.0	25.6	36.6	44.4	48.4
PAT	9.1	19.3	27.8	33.7	36.8
PATMI – Core	9.1	19.3	27.8	33.7	36.8
PATMI – Reported	9.1	19.3	27.8	33.7	36.8
% change YoY – Core PATMI	102%	114%	44%	21%	9%
Core EPS (sen)	1.3	2.8	4.0	4.8	5.3
P/E (x)	37.1	17.4	12.1	10.0	9.1
EV/EBITDA (x)	28.9	12.6	8.7	7.0	6.2
DPS (sen)	0.4	2.0	-	-	-
Yield (%)	1%	4%	0%	0%	0%
BVPS (RM/share)	0.0	0.0	0.2	0.2	0.3
P/B (x)	23.2	16.9	3.1	2.4	1.9
ROE (%)	79%	113%	44%	27%	23%
Net Gearing (x)	0.5	0.1	CASH	CASH	CASH

M+ Research

Valuations

We assign a fair value of RM0.66 per share for EIPOWER, indicating a 37.5% upside from the IPO price of RM0.48. This valuation is based on a PE ratio of 15.0x, pegged to mid-FY27f EPS of 4.40 sen.

Given that its mission-critical and data centre power infrastructure-related peers are trading at average forward and historical P/E multiples of 14.0x to 16.1x, we believe the assigned P/E multiple of 15.0x is fair.

Fig #7 Peers comparison

Company	Market Group	FYE	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)
EI Power Bhd	**Ace**	**Dec**	**0.48**	**336.0**	***17.4**	****10.0**	***112.8**	***25.0**
West River Bhd	ACE	Dec	0.21	73.3	10.2	N/A	12.6	5.5
CBH Engineering Holding Bhd	ACE	Dec	0.61	1,137.9	23.5	14.8	29.4	22.0
MN Holdings Bhd	ACE	Jun	2.19	1,450.5	17.5	17.8	31.0	8.8
HE Group Bhd	MAIN	Dec	0.33	145.2	13.1	9.4	20.1	9.0
Avg ex-EI Power Berhad				**701.7**	**16.1**	**14.0**	**23.3**	**11.3**

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

Investment risks

Dependency on registrations, approvals, licences and permits. The Group's ongoing license, including Grade G7 status, are subject to stringent regulations by government bodies like CIDB, while SEDA and EC licences for renewable energy also require periodic reviews and strict compliance.

Sustainability of order book and client concentration. The Group's revenue is mainly project-based. As projects are typically awarded through competitive tenders without long-term commitments, future performance depends on the continuous replenishment of its order book. While current unbilled order book of RM99.9m provides visibility until

FY27, there is no assurance that new projects will be secured promptly or on favourable terms.

Dependency on equipment and raw material price volatility. The Group relies heavily on external procurement, which accounted for up to 78.8% of the cost of sales in FY25. As these components are largely steel or copper-based, the Group is exposed to global commodity price fluctuations.

Risk of liquidated ascertain damages (LAD). Any delays caused by engineering challenges, site conditions, or external factors like permit approvals can lead to the imposition of LAD, which reduces project profitability.

Environmental, Social and Governance (ESG) Practices

Environmental:

- Promotes and expands the use of solar technologies and renewable energy sources across various operational sectors.
- Promotes a paperless working culture by digitalizing marketing materials like company profiles and making them available via the website. In the office, notices are displayed at printer stations to encourage employees to reduce paper consumption.
- Proper segregation of recyclable and non-recyclable materials through the installation of waste sorting bins at the headquarters.
- Moving forward the Group will also promote the adoption of newer technologies, specifically low-emission systems and building energy efficiency systems for clients, aimed at reducing emissions and consumption across the project lifecycle.

Social:

- Maintains a safe working environment that adheres to standard operating procedures aligned with applicable regulatory requirements.
- Ensures equal access of opportunities to all individuals, regardless of age, gender, ethnicity, religion, national origin, sexual orientation or disability.
- Employees are empowered with continuous development programs, including cybersecurity awareness training to mitigate information security risks and phishing threats.
- Contributes to the development of the surrounding community through donations, sponsorships, and collaborative efforts with various charitable and non-profit organizations.

Governance:

- Maintains a zero-tolerance stance on fraud, bribery, corruption, money laundering, and terrorism financing and enforces Anti-Bribery and Corruption Policy and also Whistleblowing Policy to provide safe channels for reporting misconduct.
- Stakeholder information is protected in accordance with the Personal Data Protection Act 2010.
- Utilizes a Conflict-of-Interest Policy that defines clear disclosure obligations and responsibilities.

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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