

NWE Resources Group Berhad (NWEBHD)

The Supplier Behind Leading Hospitality Brands

- NWE Resources Group Berhad is a supplier of hospitality amenities, personal care products, and health foods, supported by in-house R&D, formulation, and manufacturing capabilities at its Glenmarie Facility. The Group distributes to premium 4- and 5-star hotels nationwide and operates a 30-year-old direct selling channel (M-Plan) with 7,309 active distributors and 21 SKUs as at August 2026.
- We project 3-year earnings CAGR of 15.6%, with core PATMI expected to reach RM10.1m-RM13.2m over the next three years. This growth is underpinned by (i) the development of in-house health food manufacturing capabilities and new personal care product formulations, (ii) the scaling of the M-Plan direct selling network via the establishment of a new Johor sales office and (iii) sustained tourism tailwinds.
- We assign a fair value of RM0.26 per share for NWEBHD, indicating a 30.0% upside from the IPO price of RM0.20. This valuation is based on a PE ratio of 12.0x, pegged to FY28f EPS of 2.15 sen.

Investment highlights

Vertically integrated hospitality amenities and health foods platform. NWEBHD has nearly four decades of track record supplying personal care products, hospitality amenities, and health foods across Malaysia. The Group operates from a single integrated Glenmarie Facility (72,792 sq ft) that houses its headquarters, laboratory, production facility, and warehouse under one roof, enabling customised product offerings with shorter fulfilment times and direct quality control. The facility holds ISO 9001:2015, GMP, HACCP, MeSTI, and Halal certifications, positioning the Group to serve the premium hospitality segment and Muslim consumer markets.

Serving the premium hospitality clients. The Group supplies personal care products, room linens, F&B amenities, and event linens to a diverse base of 4-star and 5-star hotels and resorts nationwide, including Royale Chulan Hotels & Resorts, Berjaya, Genting, Imperial Group of Hotels, and Marriott. The Group manufactures liquid personal care products (shampoos, conditioners, body wash, lotions, hand sanitisers, liquid hand soaps) in-house with custom branding for hotel clients, and distributes premium third-party brands including Diptyque, Malin + Goetz, and C.O. Bigelow. With approximately 39 years of hospitality supply experience, NWEBHD has established strong brand recognition and deep B2B relationships in the hospitality industry.

Fig #1 NWEBHD's supply of personal care, hospitality amenities and related products



Source: NWE Resources Group Berhad

IPO Note – Not rated

Kieran Lim
kieranlim@msec.com.my
(603) 2201 2100

Non-Rated

Share price	RM0.20
Target price	RM0.26
Previous TP	-
Capital upside	30.0%
Dividend return	-
Total return	30.0%

Company profile

Started since 1979, NWE Resources Group Berhad is primarily involved in the supply of hospitality amenities, personal care products, and health foods, supported by in-house R&D, formulation, and manufacturing capabilities.

Stock information

Bursa Code	0478
Bloomberg ticker	NWEBHD MK
Listing market	ACE
Share issued (m)	540.0
Market Cap (m)	108.0
Shariah compliant	Yes
MITI allocation	Yes

Major shareholders

	%
Agile Plan	45.0
TCMBIO	24.8

Earnings snapshot

FYE (Mar)	FY26	FY27f	FY28f
PATMI (m)	8.5	10.1	11.6
EPS (sen)	1.6	1.9	2.2
P/E (x)	12.6	10.7	9.3

Timetable of IPO

Opening of application	29 Sep
Closing of application	9 Oct
Balloting of application	13 Oct
Allotment of the IPO shares	20 Oct
Listing on the ACE market	21 Oct



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Fig #2 B2B network that NWEBHD serves

~39 years of track record in supplying hospitality amenities to **4-star and 5-star hotels** alongside a broad range of hospitality operators nationwide.



MARRIOTT GROUP OF HOTELS

and many more...

Source: NWE Resources Group Berhad

Exclusive Miki distributorship. NWEBHD holds the exclusive distribution rights for Miki Corporation (Japan) health food products in Malaysia, Singapore, Brunei and Indonesia. Miki products, comprising Prune Extract, Bio-C, and Soy Protein, contributed between 27.1% and 30.5% of the Group's total revenue during the Financial Years Under Review. Beyond third-party distribution, the Group has developed in-house health food brands (ReDiant, Diva, D'Joy Plus, K-Cha) and formulates health foods for external customers, retaining ownership of its internally developed health-food formulations. The in-house brands and third-party Miki products are distributed through the Group's M-Plan MLM channel, which has 7,309 active distributors and 21 SKUs as at August 2026.

Margin expansion over the years. While revenue peaked in FYE24 and since then moderated, the Group's GP margins expanded from 39.0% in FYE23 to 52.4% in FYE26, underpinned by the Group's initiatives toward customer portfolio optimisation, higher-margin product mix, improved personal care manufacturing processes which require fewer workers, and also higher ASP for manufactured liquid personal care products.

NWE Biotech's pioneer status provides tax shield. The Group's subsidiary, NWE Biotech, was granted Pioneer Status by MIDA for contract R&D activities in 2024, providing 100% tax exemption on qualifying statutory income until January 2029. This contributed to the declining effective tax rate, from 26.4% in FYE23 to 13.1% in FYE26, and will continue to support bottom-line growth over the near term.

Direct beneficiary of tourism tailwinds. Malaysia's tourist arrivals reached 21.1m in 1H2026, and the government targets 47m foreign visitors and RM329bn in tourism revenue under Visit Malaysia 2026 (extended to 2027). Hotel room supply has grown to 298,197 rooms (Q1 2026), while average occupancy rates rose from 52.9% in CY23 to 56.8% in CY25. As a supplier of hospitality amenities to hotels and resorts, NWEBHD is a direct beneficiary of Malaysia's tourism growth.

Industry overview

Health foods industry. According to the IMR report, the health foods industry is supported by several structural tailwinds, including (i) Malaysia's ageing population (projected to become an aged nation by 2048), (ii) rising urbanisation (currently 78%), (iii) growing demand for ready-to-drink beverages driven by longer commutes and less time for meal preparation, and (iv) higher disposable income (GNI per capita rose to RM57.2k in 2025 from RM54.9k in 2024).

Personal care and hospitality amenities. Between 2023 and 2025, the wholesale trade sales value of household goods (which includes personal care products) grew at a CAGR of 6.1% to RM174.7bn. For the hospitality supply chain specifically, hotel room



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supply grew at a CAGR of 4.1% between 2023 and 2025, while total hotel guests reached 104.4m in 2025 (CAGR of 6.5%). Tourist arrivals grew at a CAGR of 14.9% over the same period, reaching 26.6m in 2025. These metrics underpin demand for NWE's personal care and hospitality amenities business.

Skincare market. Malaysia's skincare market was valued at USD1.4bn in 2024 and is projected to reach USD2.4bn by 2030, representing a 5-year CAGR of 9.9%. Growth is driven by the demand for halal-certified products and tropical climate-driven demand for sun protection and brightening formulations. NWEBHD's plan to develop new skincare product formulations positions it to tap into this expanding market.

Direct selling channel. As at 30 June 2026, 297 entities operated under multi-level marketing plans in Malaysia, with the direct selling industry's annual sales turnover recorded at RM34.2bn in 2024. NWEBHD's M-Plan MLM revenue accounted for approximately 33.9% of total group revenue in FYE2026, making it a meaningful contributor. However, the barrier to entry is low as it is a highly fragmented market with approximately 100 entities distributing health foods and personal care products.

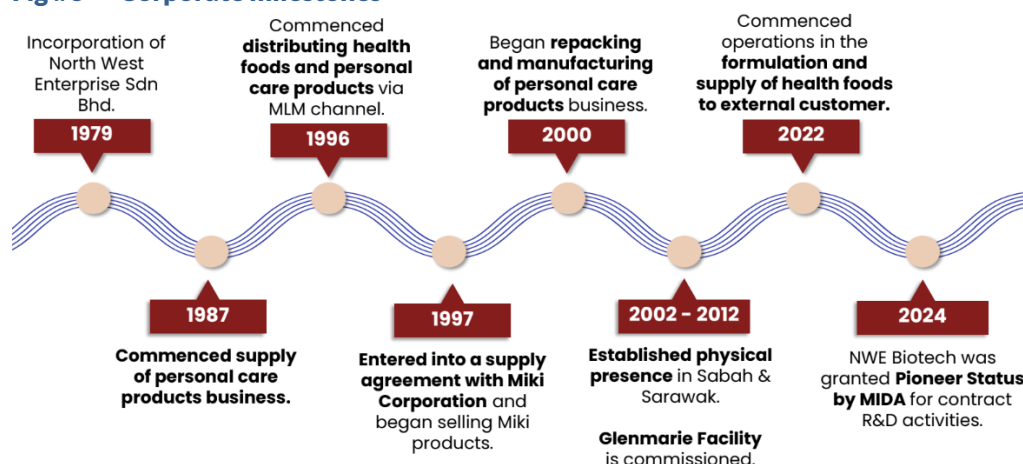
According to the IMR report, NWEBHD's market share is less than 1% across all industry segments.

Company background

NWE Resources Group Berhad is principally involved in the (i) supply of health foods, (ii) supply of personal care and related products to the hospitality industry and direct consumers, and (iii) supply of other products including F&B items and F&B amenities to hospitality customers. The Group is headquartered at Glenmarie, Selangor, with additional sales centres in Kota Kinabalu, Miri, and Sibu.

The Group commenced supplying personal care products in 1987 and entered the health food distribution space in 1996. In 1997, NWE entered into a supply agreement with Miki Corporation (Japan) and began distributing Miki health food products. The Group began manufacturing personal care products in 2000, commissioned its Glenmarie Facility in 2007, and commenced health food formulation and supply to external customers in 2022. NWE Biotech was granted Pioneer Status by MIDA in 2024 for contract R&D activities.

Fig #3 Corporate milestones



Source: NWE Resources Group Berhad



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Substantial Shareholders and Key Management

1. Tan Hong Huat – Group Managing Director

Mr Tan leads the overall business development and sales and marketing functions of NWEBHD. He is responsible for charting the Group's strategic growth plans, overseeing the Group's performance, guiding new product initiatives, and strengthening the Group's position in the health food and personal care industry.

2. Tan Chor Han – Executive Director

Mr Tan is responsible for operational efficiency and supporting the Group's strategic objectives and business growth. He plays a key role in overseeing the Group's day-to-day business operations and has been closely involved in the development and expansion of the Group's product portfolio across its health food and personal care segments.

3. Chan Kwong Lum – Group Finance Manager

Mr Chan oversees the Group's financial management, accounting, corporate governance, tax and regulatory compliance functions across NWE Resources and its subsidiaries, including M-Plan, North West Enterprise, NWE Biotech and NWE Nutra.

4. Teo Eng San – Business Development Director

Mr Teo has extensive experience in client relationship management and business strategy formulation. He is responsible for building and managing relationships with customers, key business partners and stakeholders, formulating business plans and strategies, and identifying and securing opportunities for business collaborations and market expansions.

5. Tan Chor Hung – Operations Manager

Mr Tan is responsible for the Group's overall operations, including supply chain management, procurement, logistics and the administration of the M-Plan distributor network, which comprises ~7,309 active distributors as of August 2026 across Malaysia.

6. Pang Lee Jween – Sales & Marketing Manager, Health Foods Division

Ms Pang is responsible for planning and executing marketing campaigns and product training across the Group's health food product range, including the K-Cha, D'Joy Plus and ReDiant brands, as well as the Miki Corporation product line distributed exclusively by the Group in Malaysia, Singapore, Brunei and Indonesia.

7. Lee Siow Yuen – Sales & Marketing Manager, Personal Care Division

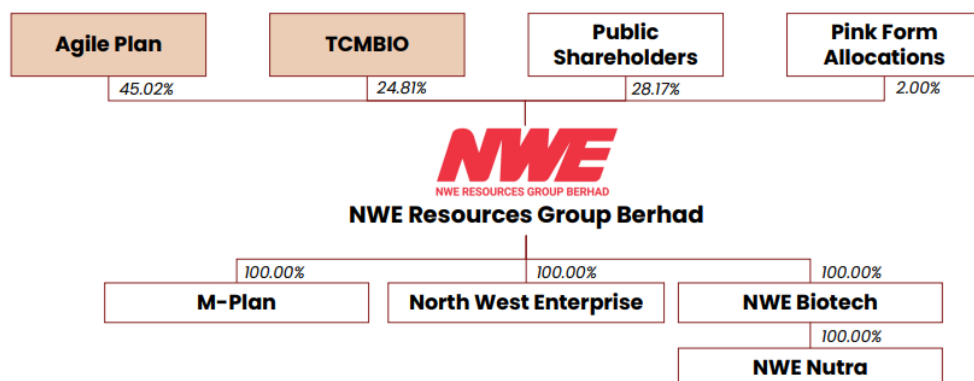
Ms Lee is responsible for overseeing sales and marketing of the Group's personal care products across all online platforms, as well as ensuring the smooth delivery of products from warehouse to the customers.

8. Tan Lee Yong – Head of Laboratory

Ms Tan is responsible for improving product formulations, supervising laboratory staff and ensuring compliance with all relevant regulatory and industry standards, including the Good Manufacturing Practices (GMP), Halal certification requirements, and the ISO 9001.



Fig #4 Post-IPO structure



Source: NWE Resources Group Berhad

Fig #5 Use of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Product development expenditure	9.1	31.9	Within 24 months
Expansion of R&D capabilities	1.2	4.1	Within 24 months
Marketing and promotional activities	4.6	16.0	Within 36 months
Purchase of equipment and transportation fleets	0.9	3.3	Within 12 months
Setting up new sales office	0.6	2.1	Within 24 months
Working capital	8.2	28.7	Within 24 months
Estimated listing expenses	4.0	14.0	Immediate
Total	28.6	100.0	

Source: NWE Resources Group Berhad

Business overview

Supply of Health Foods (55.1% of FYE26 revenue)

This segment comprises (i) distribution of health foods through the M-Plan MLM channel (both in-house brands and Miki products), and (ii) formulation and supply of health foods to external customers. In-house brands include ReDiant (collagen), Diva (herbal extract), D'Joy Plus (prebiotics), and K-Cha (kombucha), all formulated in-house and manufactured by contract manufacturers. The Group develops customised health food formulations for external customers and retains proprietary rights.

Supply of Personal Care & Related Products (40.9% of FYE26 revenue).

This segment covers (a) manufacturing of liquid personal care products (shampoos, conditioners, body wash, lotions, sanitisers) under custom branding for hotel clients, (b) repackaging and distribution of personal care products (skin care, hair care, oral care, vanity kits), room linens and amenities (sheets, pillowcases, blankets, slippers, sewing kits) to 4-star and 5-star hotels, and (c) distribution of premium third-party brands (Diptyque, Malin + Goetz, Elemental Herbology, etc.).

Supply of Other Products (4.0% of FYE26 revenue).

Comprises F&B products (instant coffee, sugar, non-dairy creamer) and F&B amenities (coasters, stirrers, straws) supplied to hospitality customers.



Fig #6 Principal business activities and services provided

We supply hospitality amenities, personal care products & health foods, supported by in-house formulation & manufacturing capabilities.



Headquarter in
Glenmarie, Selangor



Incorporated
in 1979



47 years of
track record

Our core businesses:

Supply of Personal Care Products



Supply of Health Food Products



Supply of Other Related Products



Our sales channels:



Hospitality
operators



Health food
brand owners



Consumers



MLM*
distributors



Wholesalers

Source: NWE Resources Berhad

Fig #7 SWOT analysis of NWEBHD

Strength	Weakness
- Long operating track record with integrated R&D-to-distribution capabilities - Premium B2B hospitality network (Marriott, Genting, Berjaya, Royale Chulan) - Exclusive Miki Corporation distributorship across 4 ASEAN markets - Operations supported by Halal, ISO, GMP, HACCP, MeSTI certified – broadens addressable market - Pioneer Status tax exemption on NWE Biotech until Jan 2029	- No long-term or recurrent revenue contracts – orders are on a purchase-order basis - Small absolute scale – less than 1% market share across all segments
Opportunity	Threat
- In-house health food manufacturing to improve margins and control quality. - New skincare formulations (sunscreen, face mist, serums) tapping USD1.37bn skincare market. - New Johor sales office to drive M-Plan recruitment (13% of active distributors based there) - E-commerce and live commerce channel expansion	- Miki product dependency (27-30% of revenue); earnings exposure should the exclusive distribution agreement be terminated. - Rising CPO prices may increase personal care manufacturing input costs - M-Plan distributor misconduct or MLM regulatory changes - Fragmented competitive landscape with low barriers to entry

Source: M+ Research

Financials

Revenue and income highlights. The Group posted revenue of RM41.6m in FYE26, declining 4.4% YoY from RM43.5m in FYE25. Revenue moderated from the FYE24 peak of RM45.6m as the Group deliberately shifted focus from volume to higher-margin product mix and customer portfolio optimisation. Supply of health foods remained the



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largest segment at RM23.0m (55.1%), followed by supply of personal care and related products at RM17.0m (40.9%), and supply of other products at RM1.7m (4.0%).

Despite softer topline, profitability improved, with GP rising from RM20.3m in FYE25 to RM21.8m in FYE26, while GP margins also expanded from 46.7% to 52.4% during the same period. The margin expansion was driven by improved manufacturing processes in the personal care segment (which require fewer workers), favourable supplier pricing, and higher ASP for manufactured liquid personal care products. PAT grew 23.7% YoY from RM6.9m in FYE25 to RM8.5m in FYE26, while PAT margins widened from 15.9% to 20.5%. The Group will also enjoy lower effective tax rate moving forward following the pioneer status granted by MIDA until January 2029.

Balance sheet. Total assets were relatively stable at RM32.0m as at FYE26 (FYE25: RM31.9m). Total equity expanded significantly to RM19.5m from RM12.9m, supported by stronger retained earnings. Total borrowings continued to decline to RM8.2m (FYE25: RM10.1m), while gearing ratio improved to 0.42x (FYE25: 0.82x). Cash and bank balances at RM2.4m.

Cash flow. Operating cash flow moderated from RM7.2m in FYE25 to RM6.6m in FYE26 as working capital movements turned less favourable, with trade receivables rising RM2.2m (higher Q4 sales not yet collected) and trade payables falling RM1.4m (prompt supplier payments), partially offset by a RM1.4m inventory release from lower raw material purchases. Tax payments also stepped up to RM2.0m (FYE2025: RM1.4m) on higher taxable profits. Investing cash outflow was modest at RM0.6m, largely attributable to RM0.7m in PPE additions (plant and machinery, renovation, computer and software), partly offset by RM0.02m in motor vehicle disposal proceeds. Financing cash outflow of RM6.7m (FYE2025: RM6.9m) was driven by RM3.9m in pre-IPO dividend payments, RM2.4m in net repayment of bankers' acceptance, lease liabilities, and term loans, and RM0.4m in interest expenses.

Earnings forecasts. Moving forward, we project a 3-year earnings CAGR of 15.6%, with core PATMI expected to reach RM10.1m, RM11.6m and RM13.2m over the next three years. This growth is underpinned by (i) the development of in-house health food manufacturing capabilities and new personal care product formulations, (ii) the scaling of the M-Plan direct selling network via the establishment of a new Johor sales office and (iii) sustained tourism tailwinds.



Fig #8 Financial Highlights

FYE Mar (RM m)	FY25	FY26	FY27f	FY28f	FY29f
Revenue	43.5	41.6	48.0	55.5	64.2
EBITDA	9.8	10.9	12.9	15.0	17.6
EBIT	9.1	10.2	12.0	14.0	16.4
PBT	8.6	9.8	11.7	13.7	16.1
PAT	6.9	8.5	10.1	11.6	13.2
PATMI – Core	6.9	8.5	10.1	11.6	13.2
PATMI – Reported	6.9	8.5	10.1	11.6	13.2
% change YoY – Core PATMI	53%	24%	18%	15%	13%
Core EPS (sen)	1.3	1.6	1.9	2.2	2.4
P/E (x)	15.6	12.6	10.7	9.3	8.2
EV/EBITDA (x)	10.5	9.4	8.0	6.9	5.9
DPS (sen)	0.0	0.8	-	-	-
Yield (%)	0%	4%	0%	0%	0%
BVPS (RM/share)	0.0	0.0	0.1	0.1	0.2
P/B (x)	8.4	5.5	1.9	1.6	1.3
ROE (%)	57%	53%	26%	19%	18%
Net Gearing (x)	0.5	0.3	CASH	CASH	CASH

M+Global Research

Valuations

We assign a fair value of RM0.26 per share for NWEBHD, indicating a 30.0% upside from the IPO price of RM0.20. This valuation is based on a PE ratio of 12.0x, pegged to FY28f EPS of 2.15 sen.

Although Bursa Malaysia Consumer Discretionary peers trade at forward and historical P/E multiples of between 13.3x and 17.4x, we view our assigned P/E multiple of 12.0x as fair, representing a discount of approximately 10–30%. The discount reflects NWE's relatively small market capitalisation of RM108m and market share of less than 1% across all its industry segments, underscoring the fragmented nature of the markets in which it operates.

Fig #9 Bursa Malaysia Consumer Discretionary Index

Ticker	Name	Weight (%)	Shares	Price	Best P/E BF12M	P/E
• Consumer Discretionary (88 members)		35.002937	83,587,416,052		13.34	17.35
PETD	MK Petronas Dagangan Bhd	7.906412	993,454,000	19.3400	15.66	15.75
MRDIY	MK MR DIY Group M Bhd	4.914037	9,477,475,992	1.2600	16.94	19.03
GENTM	MK Genting Malaysia Bhd	3.591997	5,938,044,648	1.4700	12.85	26.97
GENT	MK Genting Bhd	2.919513	3,876,896,099	1.8300	10.63	--
HLI	MK Hong Leong Industries Bhd	2.210219	327,903,710	16.3800	8.81	9.03
ORH	MK Oriental Holdings BHD	1.804937	620,393,638	7.0700	--	22.69
MBM	MK MBM Resources BHD	0.772091	390,887,653	4.8000	5.72	5.28
DRB	MK DRB-Hicom Bhd	0.715983	1,933,237,051	0.9000	7.78	4.35
SPTOTO	MK Sports Toto Bhd	0.706064	1,351,030,072	1.2700	8.63	10.55
MAG	MK Magnum Bhd	0.698136	1,437,748,654	1.1800	13.23	10.23
BRPOP	MK Berjaya Property Bhd	0.514416	5,000,337,104	0.2500	--	--
EXSINH	MK Exsim Hospitality Bhd	0.487887	2,324,736,127	0.5100	16.43	16.91
BAUTO	MK Bermaz Auto Bhd	0.448592	1,172,176,878	0.9200	7.19	7.73
PAD	MK Padini Holdings Bhd	0.426405	986,864,185	1.0500	7.99	9.03
EMPIRE	MK Empire Premium Food Bhd	0.380231	1,100,000,000	0.8400	14.66	--
SIGN	MK Signature International Bhd	0.353282	645,497,370	1.3300	--	11.88
SKOU	MK Sern Kou Resource Bhd	0.346041	1,078,097,542	0.7800	--	--
SYS	MK SEG International BHD	0.328141	1,265,742,042	0.6300	--	61.84
SHMB	MK Shangri-La Hotels Malaysia Bhd	0.280646	440,000,000	1.5500	--	16.20
ALN	MK Altan Holdings Bhd	0.271384	253,650,409	2.6000	--	55.44
AMW	MK Amway Malaysia Holdings Bhd	0.271259	164,385,645	4.0100	19.42	15.24
MTI	MK Magni-Tech Industries Bhd	0.269645	433,950,579	1.5100	--	5.53
ECOMATE	MK ECOMATE HOLDINGS BHD	0.254880	716,051,668	0.8650	--	--
FHB	MK Fiamma Holdings BHD	0.224813	530,406,884	1.0300	--	13.10

Source: Bloomberg



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Investment risks

Supplier concentration risk. The Group is dependent on certain key suppliers, including Miki Corporation, La Bottega Group, and Supplier A Group, each accounting for more than 10% of total purchases, with Miki health food products specifically contributed 27-30% of total revenue during the Financial Years Under Review.

No long-term contracts with customers. NWEBHD does not have long-term or recurrent revenue contracts with customers. Orders are placed on a purchase-order basis, exposing the Group to unpredictable revenue streams and requiring constant sales and marketing efforts to secure new orders.

Input cost exposure. Fluctuations in CPO prices directly affect the cost of palm oil-based derivatives used in personal care product manufacturing. Sea freight rate volatility also impacts the landed cost of imported health food products.

Environmental, Social and Governance (ESG) Practices

Environmental:

- Plans to install rooftop solar PV system at Glenmarie Facility, targeting RM10,000-RM12,000 monthly electricity cost savings.
- Repurposes packaging scraps as fillers and protective cushioning within product carton boxes.
- Practices paperless initiative across operations.
- Adopts responsible energy consumption habits, powering off all electrical and electronic devices when not in use.

Social:

- Established a Safety & Emergency Response Team for a safe and responsive workplace.
- Practises gender equality and cultural diversity across the organisation.
- Supports employees' personal and professional growth through training programmes and education initiatives.

Governance:

- 4 out of 6 (66.7%) Board members are independent directors; 2 out of 6 (33.3%) are female directors.
- Established Anti-Bribery and Anti-Corruption Policy.
- Whistleblowing Policy in place to encourage reporting of unethical and unlawful behaviour.

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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

