

5E Resources Holdings Berhad (0397)

Today's waste, tomorrow's opportunity

Bloomberg Ticker: 5ER MK | Investment Horizon: 12 Months

Recommendation

We recommend a **Subscribe** rating for 5E Resources Holdings Berhad (5E), with a **target price of RM0.370, representing a 42% upside**. 5E is a scheduled waste management company focused on circular recycling solutions, providing compliant treatment while extracting value through recovery of reusable materials and fuel. We favour 5E for its (i) exposure to circular economy-driven demand growth, (ii) hard-to-replicate integrated recycling system with strong barriers to entry, and (iii) expanding capacity base, geographical expansion and new recovery capabilities.

Investment Highlights

Circular Economy Tailwinds. We see 5E as a direct beneficiary of the structural shift towards circular recycling solutions, supported by NIMP 2030, the Circular Economy Policy Framework and the 13MP, alongside stricter enforcement, including higher illegal dumping penalties (RM500.0k to RM10.0mn), which should accelerate demand for compliant and greener waste treatment. Its 34/77 SW codes provide a one-stop solution advantage. 5E holds the second-largest revenue base and second-highest PAT margin among 7 peers with >20 codes, and is the only player focused on circular recycling. Pricing is set at ~20.0% profit margin, with higher realised margins driven by input substitution (recycled materials and recovered fuel), as cost assumptions are based on the highest possible disposal route. The business is hard to replicate, given stringent licensing, long site approval timelines, DOE quota constraints and the need for integrated, customised machinery to achieve superior recovery yield.

Scaling Johor Base. 5E derived over 60.0% of revenue from Johor (FY22–FY24), and its appointment for the Sungai Kim Kim river remediation project (2019 toxic dumping incident that led to 111 schools' closures and > 4,000 people ill), reinforces regulatory trust and strengthens its local positioning. The new Johor facility (PLO 321) expands SW code coverage to 38/77 and nearly doubles capacity to 508,560 tonnes by Jul-26, addressing SW code quota constraints. Building a new plant avoids >6 months of downtime and regulatory re-approval from upgrading existing plants. We forecast revenue to grow to RM108.9mn in FY26F (+35.9%) and RM144.4mn in FY27F (+32.5%) as PLO 321 utilisation ramps from ~30% to ~60%. While GP margin is expected to expand to 48.0-50.8%, driven by automation, higher recovery yields, lower outsourced disposal costs and ~RM0.7mn electricity savings.

Attractive Valuation with Capacity-Driven Upside. We derive our target price of RM0.37 based on a DCF valuation (terminal growth rate of 1.0% and WACC of 11.8%), capturing 5E's near-term Johor capacity expansion and longer-term Perak expansion, which is expected to commence by 1H 2030. The target price implies an FY2F PE of 11.8x, which we view as attractive as it is broadly in line with the simple average of 11.6x for foreign recycling-focused scheduled waste peers, despite 5E's stronger expected earnings growth from FY26F onwards following its capacity expansion. We view the implied multiple as reasonable with no premium assigned, given (i) its smaller market capitalisation, (ii) smaller revenue base due to the earlier-stage development of Malaysia's circular economy ecosystem, (iii) expansion execution risk, and (iv) a liquidity discount.

FYE 31 Dec (RM'mn)	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Revenue (RM'mn)	80.0	80.1	81.9	108.9	144.4
EBITDA (RM'mn)	32.3	32.2	38.4	50.3	77.3
Pretax profit (RM'mn)	30.1	29.2	29.2	37.5	62.6
Net profit (RM'mn)	23.8	21.8	22.2	28.5	47.6
EPS (sen)	1.5	1.4	1.4	1.9	3.1
PER (x)	16.8	18.4	18.0	14.0	8.4
Core net profit (RM'mn)	23.8	21.8	22.3	33.5	47.6
Core EPS (sen)	1.5	1.4	1.4	2.2	3.1
Core EPS growth (%)	54.3	-8.4	2.4	50.4	42.0
Core PER (x)	16.8	18.4	18.0	11.9	8.4
Net DPS (sen)	0.6	0.5	0.0	0.0	0.0
Dividend Yield (%)	2.5	2.1	0.0	0.0	0.0
ROE (%)	27.9	22.1	15.1	11.2	15.8
P/BV (x)	4.7	4.1	2.7	1.6	1.3

Subscribe

Target Price: RM0.370 (+42%)

Current Share Price: RM0.260

Ace Market
Industrial Products & Services

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Valuation

Our target price is based on:

DCF valuation with TG of 1.0% and WACC of 11.8%. We forecast stronger earnings growth driven by Johor capacity expansion, with long-term revenue contribution from Perak expansion.

Listing Timeline

Subscription Start Date	30 March 2026
Subscription Deadline	3 April 2026
Ballot Result	7 April 2026
Listing date	15 April 2026

Listing Details

Shariah Compliant	Yes
New Shares (mn)	304.5
Fund Raised (RM'mn)	79.2
Offer for Sale (mn)	154.0
Offer for Sale (RM'mn)	40.0
Market Capitalization (RM'mn)	400.4

Offering	Total (mn)	Total (%)
Malaysia Public (Bumi)	38.5	2.5
Malaysia Public (Non- Bumi)	38.5	2.5
Pink Form	35.0	2.3
Selected Investors	154.0	10.0
MITI	192.5	12.5
Total	458.5	29.8

Investment Thesis

Riding the Circular Economy Wave

Circular economy adoption lifts compliant disposal demand. We see 5E as a direct beneficiary of the structural transition from traditional scheduled waste (SW) treatment methods (landfill, solidification and incineration) toward circular recycling solutions, which are both environmentally friendly and economically more efficient. This shift is reinforced by policy support under the National Industrial Master Plan 2030, the Circular Economy Policy Framework and the 13MP, all aligned with the government's broader ESG agenda. At the same time, stricter enforcement (e.g. illegal dumping penalties increased from RM500.0k to RM10.0mn) should accelerate industry formalisation and drive higher demand for compliant waste treatment. On top of that, 5E's model offers a clear cost advantage, where 5E can provide SW treatment solutions at roughly half the cost of traditional methods such as incineration, which should support customer switching over time.

Early mover in Malaysia's scheduled waste recycle market. Based on IMR, 5E currently holds ~1.0% market share of the scheduled waste management industry, implying significant headroom for growth as the industry transitions toward recycling-based solutions. 5E holds the second-largest revenue base and second-highest PAT margin among peers with >20 codes, and is the only player focused on circular recycling. 5E currently holds 34 out of 77 codes, enabling a one-stop solution for clients, which acts as a key competitive advantage in securing and retaining customers. That said, management remains selective in expanding its SW code coverage, focusing on commercially viable SW codes, as lower-demand codes tend to be less profitable due to limited volume.

In terms of pricing, 5E typically provides costing to customers and then seeks to price in a targeted 20% profit margin. However, the actual realised margin will be much higher because the cost base is calibrated to a conservative highest possible disposal assumption, while 5E can internally substitute part of the process input with recycled materials or recovered fuel, thereby lowering actual cost. In other words, customers pay for a compliant and efficient disposal service, while 5E captures additional value through process optimisation and recovery economics.

Hard to replicate, hard to displace. The scheduled waste recycling business is highly regulated and capital intensive, which creates significant barriers to entry. Licensing requirements are strict, while site identification and approvals are time-consuming. For example, 5E's Perak expansion took about two years to secure a suitable land parcel, followed by consultant assessments on land suitability, water discharge and technology review by DOE. Capacity is further constrained by DOE quota under each SW code, while the business requires specialised skills to handle complex recycling processes efficiently. More importantly, 5E's machines are not simply a one-machine-for-one-waste-code setup, but an integrated system that must be internally designed and customised to process multiple SW streams efficiently. This reflects that operational know-how, machine integration capability and yield optimisation are the key differentiators behind 5E's success, rather than generic equipment alone.

Peers Comparison					
Company	SW Code Counts	Facilities Location	FY24 Revenue (RM'mn)	GP Margin (%)	PAT Margin (%)
Hiap Huat Holdings Berhad	22	Pahang & Selangor	139.7	13.9	2.7
5E Resources Group	34	Johor	80.1	45.4	27.2
Krubong Recovery Sdn Bhd	23	Melaka	39.6	5.9	(2.8)
Tex Cycle Technology (M) Berhad	31	Selangor	36.2	63.0	45.1*
Meridian Recycling Sdn Bhd	22	Kedah	29.6	n/a	15.8
Southern Strength (M) Sdn Bhd	22	Johor	11.3	51.3	6.6
Safe & Clean Oil Recycle Sdn Bhd	52	Labuan	10.4	72.3	(2.8)

Source: Prospectus IMR Report, Tradeview Research

*RM15.0mn one-off gain from disposal of investments

Strengthening Southern Dominance

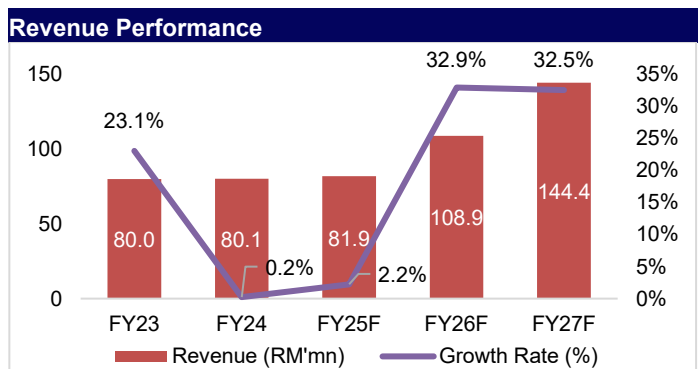
Johor remains the core demand engine. Johor continues to anchor 5E's growth, supported by strong industrial activity. In 2025, Johor leads all states with RM110.0bn of approved private investment, supported by the transformative momentum of the Johor Singapore Special Economic Zone (JS-SEZ) and ranks as the third-largest scheduled waste generator in Malaysia. 5E has established a dominant position in the state, with over 60% of revenue derived from Johor over the past three years. Its appointment for the Sungai Kim Kim river remediation project, the 2019 toxic dumping incident that forced the closure of 111 schools in Pasir Gudang and left more than 4,000 people ill, reinforces regulatory trust and strengthens its local positioning. We expect Johor's ongoing industrial expansion to sustain waste generation volumes and support 5E's customer pipeline, particularly within the manufacturing segment.

Johor expansion adds capacity and widening scope. The new Johor facility (PLO 321), located adjacent to existing plants (PLO 83 and PLO 317), will nearly double total capacity from 282,594 tonnes to 508,560 tonnes, with commissioning targeted for July 2026. This expansion is critical, as 5E is currently constrained by SW code quotas at its existing facilities. Building a new plant is also operationally more efficient than upgrading existing capacity, which would require prolonged downtime (>6 months) and regulatory re-approval.

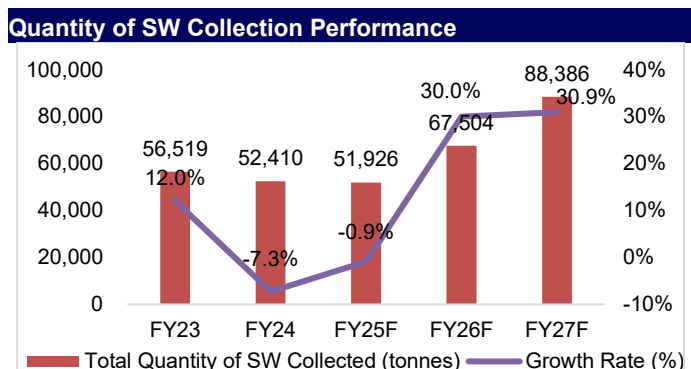
Assuming initial utilisation of ~30% in FY26F, we project revenue to grow 35.9% to RM108.9mn (from RM80.1mn in FY24). As utilisation ramps to ~60% in FY27F, revenue is expected to grow a further 32.5% YoY to RM144.4mn. This trajectory is in line with management guidance, supported by existing customer demand and current capacity constraints.

Margin expansion driven by efficiency gains. Beyond capacity, the new facility should enhance margins through improved process efficiency. The deployment of newer, more automated machinery is expected to increase recovery yields, while the installation of a cogeneration system (steam-to-power) is guided to deliver ~RM0.7mn in annual electricity savings. Operationally, this translates into higher precious metal recovery for sale, lower residual disposal costs through reduced outsourcing to landfill, and increased production of recycled fuel for internal use and external sales. We therefore forecast GP margin to expand to 48.0% in FY26F (vs. 45.4% in FY24), and further to 50.8% in FY27F as utilisation improves and fixed costs are better absorbed.

New processes create new revenue pools. The Johor expansion also broadens 5E's SW code coverage by four additional codes (to 38/77), while introducing new recovery capabilities. Key technologies include: (i) SRF pelletising, converting ~40–50% of SW input into fuel pellets. Approximately 60% of the pellets are used internally, with the remainder sold as coal substitute materials. This reduces 5E's reliance on recycled oil as a fuel input, which can instead be monetised at higher value under the current elevating oil price environment. (ii) Spent EV battery recovery, enabling extraction of lithium, cobalt, nickel and copper. We view EV battery recycling as a structurally attractive growth area. MIDA estimates the global EV battery recycling market will reach US\$6.5bn by 2030 (37.1% CAGR), while DOE restrictions on exporting spent EV batteries further reinforce the importance of domestic processing capacity. We believe 5E is still early to the game, with limited domestic players.



Source: Company Prospectus, Tradeview Research



Source: Company Prospectus, Tradeview Research

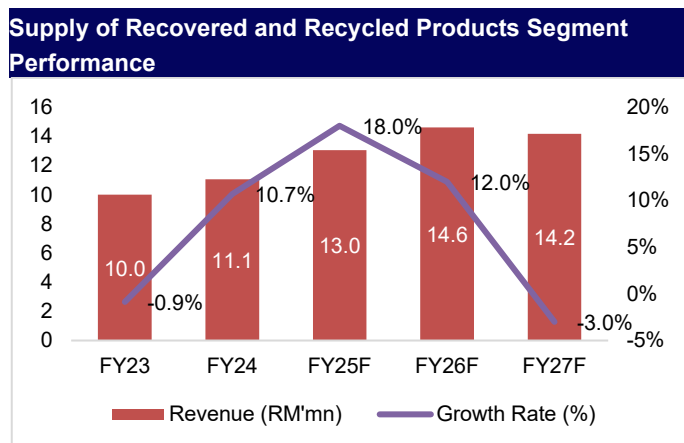
Unlocking Northern Expansion

Perak expansion broadens geographic reach. Perak is emerging as a manufacturing hub, supported by EV-related industries, halal food production and a sizeable cement industry base. Its proximity to Penang and Kulim also strengthens 5E's positioning in semiconductor hubs there. Partly funded by the IPO proceeds, this facility is expected to commence operations by 1H 2030, with SW code coverage expanding by six additional codes (to 44/77). Total capacity is projected to double again to 996,384 tonnes, positioning Perak as the key mid-term growth driver. Notably, ~40% of FY24 revenue is derived from customers in the northern and central regions, with waste currently transported to Johor. The new site should reduce logistics costs, allowing 5E to offer more competitive pricing to retain existing customers and attract new ones.

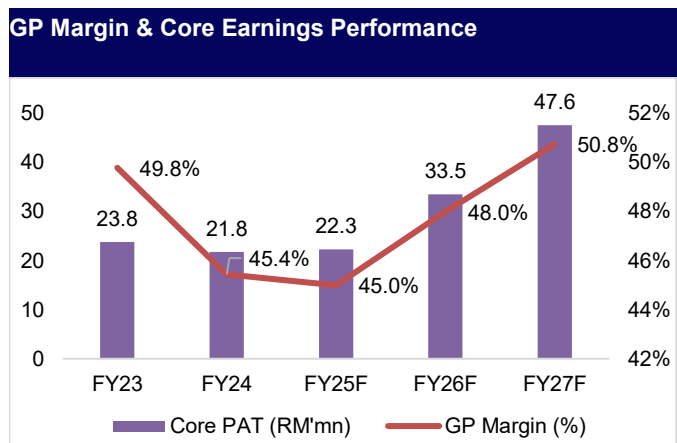
Solar PV and other recovery technologies are expected to grow recovered and recycled products sales. In addition to technologies introduced in Johor, the Perak facility will incorporate solar PV panel recycling, enabling recovery of silicon, glass, aluminium, copper, silver, lead and plastics. While solar waste remains nascent, we expect it to become increasingly material as currently installed solar PV panels base age. Rystad Energy (an Oslo-based independent energy research and business intelligence company) estimates that recyclable materials from end-of-life PV panels will exceed US\$2.7bn by 2030 (vs. US\$170mn in 2022), highlighting long-term potential

Additional technologies include: (i) Hydrometallurgical recovery, improving extraction efficiency of metals from industrial and electronic waste, (ii) Anaerobic thermal separation, recovering metals and fuel oil from contaminated waste streams, and (iii) Smelting, producing higher-purity metals such as aluminium, copper and zinc. Collectively, these new technologies are expected to improve recovery yield, produce higher-quality recycled products and capture more precious metals for sale, thereby supporting 5E's core fee-based waste management business.

That said, the "Supply of recovered and recycled products" segment remains a smaller contributor (13.8% of FY24 revenue, with GP margin of 15.7%), suggesting that the core earnings driver continues to be its fee-based waste management business, with recovery yield improvement providing incremental revenue support.



Source: Company Prospectus, Tradeview Research



Source: Company Prospectus, Tradeview Research

Company Overview

5E Resources Holdings Berhad (5E) traces its origins to TS Heuls, incorporated in July 1997 by Ban Kim Wah and three third-party shareholders (each holding 25.0%). TS Heuls started as a chemical trader and wastewater-treatment maintenance provider operating from rented premises in Masai, Johor. Early operational leadership came from Loo Sok Ching with technical support from Lim Te Hua. Market demand identified by Loo Sok Ching for scheduled-waste services led to the incorporation of 5ERSB in July 2006. 5ERSB commenced commercial operations at PLO 83 & 317 Facility in June 2008 (initially covered 12 SW Codes) and rapidly expanded its permits and footprint by adding PLO 738 Facility (19 SW Codes) and later PLO 321 Facility. TS Heuls became a wholly owned subsidiary of 5ERSB in 2020. 5ERSB and TS Heuls were consolidated under 5E Holdings and in 2022 became subsidiaries of 5E Singapore.

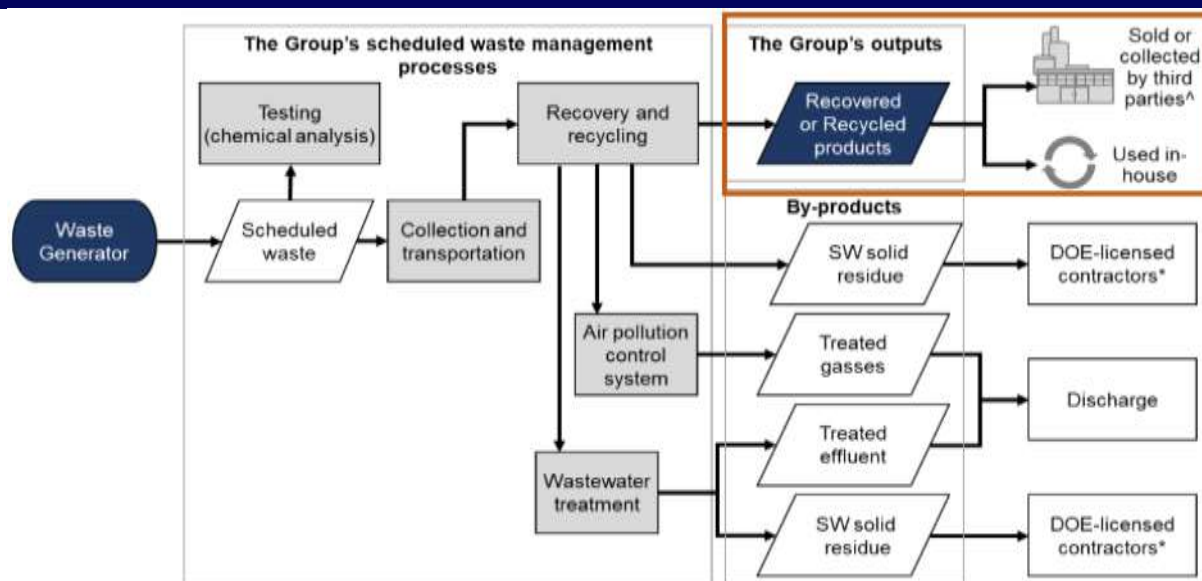
5E pursued a public listing and capital raise through 5E Singapore's Catalist IPO on 12 May 2022 to fund expansion including PLO 321. Following a scheme of arrangement, 5E Singapore was privatised and voluntarily delisted on 5 March 2025. In 2025, 5E completed internal restructuring and acquisitions in preparation for the Listing of the Company and transferred 5ERSB, TS Heuls and 5ERNBS into the listed vehicle upon completion of the Acquisition. Key operational and quality milestones include multiple EIA and SW approvals, ISO 14001 / ISO 45001 certifications, ISO/IEC 17025 accreditation (2024), and a series of industry recognitions (DOE letters of appreciation, CHWMEG certificates, vendor safety and sustainability awards). Today, 5E positions itself as an integrated scheduled-waste management and recovery operator with multiple facilities across Johor and expansion plans in Perak, operating on a service and project revenue model that combines waste collection, treatment, recycling/recovery and laboratory testing services.

Business Operations Process Flow



Source: Company presentation slide

Areas Involved in the Scheduled Waste Process Flow



Source: Company presentation slide

Utilisation of the RM79.2mn from the IPO Proceeds

Purposes	RM'mn	%	Estimated timeframe for utilisation from the listing date
Partly finances the construction of the New Perak Facility	24.0	30.3	36 months
Part finances the purchase of machinery and equipment for the New Perak Facility	34.0	43.0	36 months
Working capital	14.8	18.7	12 months
Estimated listing expenses	6.4	8.1	3 months

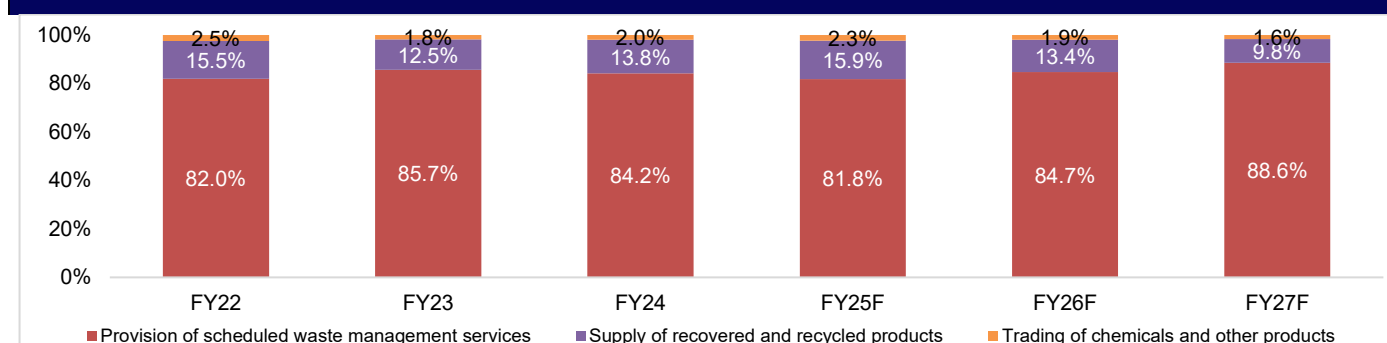
Source: Company Prospectus

Business Segments

Segments	Description	Visualization / Services	
Provision of scheduled waste management services	- Providing end-to-end scheduled waste management services regulated under the Environmental Quality (Scheduled Wastes) Regulations 2005. 5E is licensed to manage 34 of 77 SW categories and operates two licensed facilities in Pasir Gudang, Johor. - Capabilities include laboratory testing of waste samples, collection and transport from customer sites, recovery and recycling of useful materials, treatment of process gases and wastewater prior to discharge, and engagement of licensed third parties for final treatment or disposal. Services are mainly recurring with occasional project-based environmental remediation works.	 Hazardous Waste	 E Waste
Supply of recovered and recycled products	- Sale of useful products recovered or recycled from scheduled waste as an additional revenue stream. Products include recovered metals (silver, palladium, zinc, aluminium, copper, nickel), coolants, solvents, oils and scrap materials. - Recycled products include acids and alkali, detergents and chemicals, reusable fabrics (gloves, rags, cloths) and containers such as drums, plastic containers, jerrycans, jumbo bags and IBC tanks.	 Precious metals & other metals	 Coolants, solvents, oils, acids and alkali as well as other chemicals
Trading of chemicals and other products	- Trading of industrial chemicals including acids, ammonia, urea and industrial alcohol, alongside laboratory consumables and containers. - Complements 5E's waste management activities by supplying operational inputs and serving existing industrial customers.	 Acids / Containers sourced directly from suppliers / manufacturers	

Source: Company Prospectus, Company presentation slide, Tradeview Research

Revenue by Segment

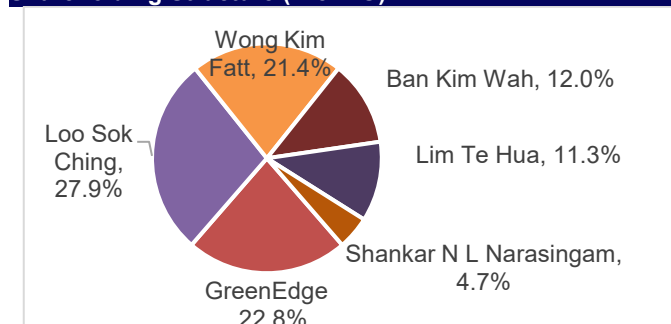


Source: Company Prospectus, Tradeview Research

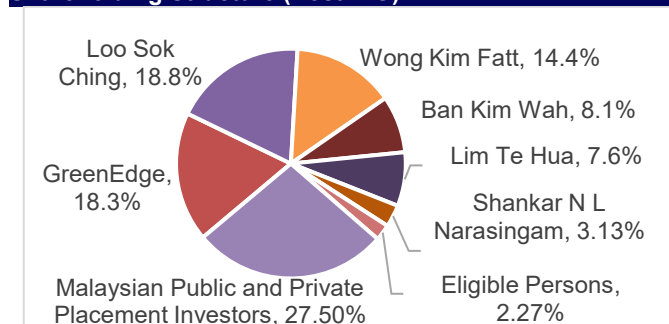
Management Team

Name and Designation	Profile
Loo Sok Ching Promoter Non-Independent Non-Executive Chairperson	Loo Sok Ching was appointed to the Board on 19 May 2025. She holds a Malaysian Certificate of Education from Sekolah Menengah Inggeris Batu Pahat (1976). Loo began her career in 1977 in administrative and clerical roles at Guan Heng Trading Company, moved to Wanfy (M) Sdn Bhd in 1982 and progressively took on finance and administrative oversight until 1997. She joined TS Heuls in 1997 as General Manager overseeing finance and administration and was appointed a director in 2007 with responsibility for revenue generation and cost control. She served as director of 5ERSB from 2007–2010, acted as advisor, thereafter, was re-appointed director in 2021 and became Executive Chairperson of 5E Singapore in 2021 (Catalist-listed May 2022; delisted March 2025). She holds 36.1% of direct stake and 27.8% of indirect stake in GreenEdge.
Lim Te Hua Promoter Executive Director Chief Executive Officer	Lim Te Hua was appointed to the Board on 19 May 2025. He graduated with a Bachelor of Science from Campbell University (1997) and holds an MBA from Akamai University (2007). He is a Certified Environmental Professional recognised by the DOE in Scheduled Waste Management and in Operation of Industrial Effluent Treatment System – Physical Chemical Processes, and a member of the Malaysian Institute of Chemistry since 2019. Lim started as a Chemist at TS Heuls in 1997, became a director there in 2001, helped set up 5ERSB's operations in 2006 and was appointed Director and CEO of 5ERSB in 2008. He was Executive Director of 5E Singapore in 2022 and resigned from that board in June 2025 following the group's delisting in March 2025. He has 28 years' experience in the waste management industry and is responsible for the Group's overall management, execution of corporate strategy and business development. He holds 14.6% stake in GreenEdge.
Shankar A/L Narasingam Promoter Executive Director Chief Operating Officer	Shankar A/L Narasingam was appointed to the Board on 20 June 2025. He holds a Bachelor of Science (Environment) from Universiti Pertanian Malaysia (1992). Shankar began his career at Hitachi Electronic Devices (M) Sdn Bhd in 1992. He joined TS Heuls in 2001 as Technical Director responsible for technical design of wastewater treatment plants, ran CVision Trading Sdn Bhd until 2006, and joined 5ERSB as Technical Director in 2007, being promoted to his current operational role in 2020. He served as Executive Director of 5E Singapore in 2022 and resigned from that board in June 2025; as COO he oversees the Group's production, logistics, and safety & health functions. He holds 6% stake in GreenEdge.
Sim Ting Ling Group Financial Controller	Sim Ting Ling joined the Group as Group Financial Controller in November 2022 after being promoted from Assistant Corporate Finance Manager. She graduated with a Bachelor of Commerce (Accounting & Finance) from the University of Melbourne (2016) and is a Certified Practising Accountant of CPA Australia since 2021 and a Chartered Accountant of the Malaysian Institute of Accountants since 2022. Sim began her career at PricewaterhouseCoopers Malaysia in 2017, progressing to Senior Associate in 2019 and Assistant Manager in 2021. Later she joined KPMG Services Pte Ltd in Singapore as an Assistant Manager on assurance engagements. She returned to Malaysia in August 2022 to join 5ERSB handling financial planning & review, cash-flow management and financial reporting before her promotion to Group Financial Controller.

Shareholding Structure (Pre-IPO)

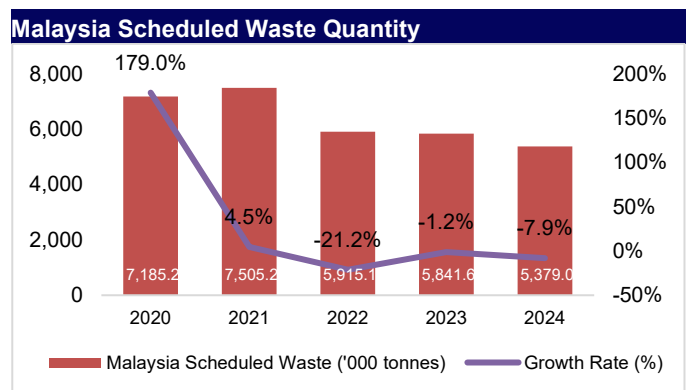


Shareholding Structure (Post-IPO)



Industry Outlook

Circular economy and industrial policies provide medium-term growth visibility. The rollout of NIMP2030 and increasing ESG requirements across global supply chains are expected to drive higher adoption of recycling and sustainable waste management practices among manufacturers. At the same time, continued expansion in E&E, petrochemicals and industrial clusters, particularly in Johor and the northern semiconductor corridor (Penang/Kulim), is likely to sustain waste generation. While the industry remains cyclical in line with industrial activity, structural drivers such as regulatory enforcement and circular economy adoption provide a supportive medium-term demand outlook.

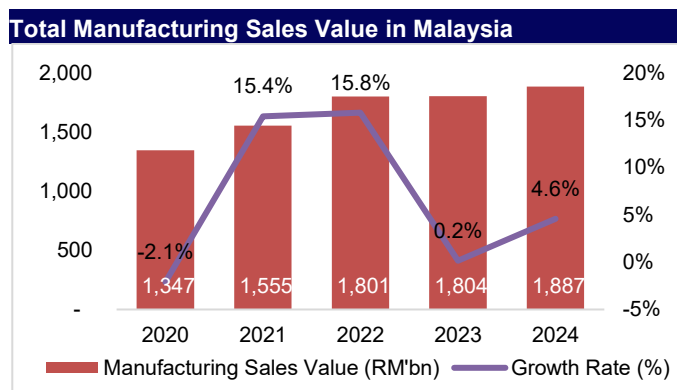


Source: DOSM

Scheduled waste driven by industrial growth and circular economy adoption. Malaysia's scheduled waste management industry is structurally supported by industrial activity and tightening environmental regulations. Under the Environmental Quality Act 1974, hazardous waste must be handled at licensed facilities and tracked via DOE's eSWIS system, reinforcing demand for compliant service providers. At the policy level, MITI's Circular Economy Policy Framework (launched in September 2024) and NIMP2030 aim to promote resource efficiency and recycling across manufacturing, accelerating the shift from landfill-based disposal toward recovery and reuse. This transition supports increasing demand for higher value-added waste treatment and recycling services.

Manufacturing activity underpins sustained waste generation. Malaysia generated approximately 5.4mn tonnes of scheduled waste in 2024 (DOSM), normalising from 5.8mn tonnes in 2023 but remaining above pre-pandemic levels. Waste generation is closely linked to industrial output, with manufacturing and utilities as the largest contributors. The manufacturing sector recorded ~RM1.9tn in sales value in 2024, with E&E accounting for 33.7% and continuing to grow alongside semiconductor and electronics demand. Other key sectors such as chemicals and metals also expanded, reflecting broader industrial activity. This provides a structural base for scheduled waste generation, particularly from high-value and complex waste streams.

Regulatory and technical barriers support industry structure. The industry is characterised by high barriers to entry due to regulatory, capital and technical requirements. Operators must obtain DOE licences, conduct Environmental Impact Assessments and secure approvals for specific waste codes, while capacity is constrained by facility design and permitted treatment limits. In addition, effective processing of hazardous waste requires specialised equipment and technical expertise, particularly for chemical, metal-bearing and mixed waste streams. As a result, the number of operators capable of handling multiple waste categories remains limited, supporting a relatively concentrated market structure and favouring established players with integrated collection, treatment and recovery capabilities.



Source: Company Prospectus, Tradeview Research

Valuation

Recommending a **Subscribe** rating and a **target price of RM0.37** based on a DCF valuation (terminal growth rate of 1.0% and WACC of 11.8%), capturing 5E's near-term Johor capacity expansion and longer-term Perak expansion, which is expected to commence by 1H 2030. The target price implies an FY2F P/E of 11.8x, broadly in line with the simple average of 11.6x for foreign recycling-focused scheduled waste peers. While 5E is expected to deliver stronger earnings growth from FY26F onwards following its capacity expansion, we view the implied multiple as reasonable, given (i) its smaller market capitalisation, (ii) smaller revenue base due to the earlier-stage development of Malaysia's circular economy ecosystem, (iii) expansion execution risk, and (iv) a liquidity discount. We do not benchmark 5E against domestic scheduled waste peers (e.g. Hiap Huat, Tex Cycle), as their business models are more skewed toward traditional waste treatment.

We like 5E for its strong exposure to Malaysia's circular economy adoption, early-mover advantage in scheduled waste recycling, and capacity-driven earnings expansion. Key growth drivers include (i) Johor capacity expansion and utilisation ramp-up, (ii) Perak expansion and geographic diversification, and (iii) higher recovery yields and new revenue streams from SRF, EV battery, and solar PV recycling.

FYE 31 Dec (RM'mn)	FY2024A	FY2025F	FY2026F	FY2027F	FY2028F	FY2029F	FY2030F	FY2031F	FY2032F	FY2033F
Adj. EBITDA	32.2	38.4	50.3	77.3	89.9	100.5	112.5	130.1	151.1	179.8
Adj. EBITDA*(1-tax rate)	24.5	29.2	38.2	58.7	68.3	76.4	85.5	98.9	114.8	136.7
(-) Working Capital Investments (WC Inv)	(2.5)	(8.0)	8.4	(3.5)	(0.4)	(0.9)	(0.4)	(2.3)	(3.2)	(4.1)
(-) CAPEX	(8.1)	(32.0)	(40.0)	(15.4)	(27.4)	(92.9)	(21.0)	(22.0)	(23.0)	(24.0)
FCFF	13.9	(10.9)	6.7	39.8	40.5	(17.4)	64.1	74.6	88.6	108.6
Discounted FCFF	12.4	(8.7)	4.8	25.5	23.3	(8.9)	29.5	30.7	32.6	35.7
Terminal Value	1,019.7									
PV of Terminal Value	335.7									
NPV	176.8									
(-) Debt	(2.3)									
(+) Cash	53.6									
Equity Value of Firm (RM'mn)	563.8									
No of shares (mn)	1,540.0									
Fair value per share (RM)	0.37									
Implied FY27F PE (x)	11.8									
Risk-free (Rf)	3.5%									
Beta	1.3									
WACC	11.8%									
Terminal Growth Rate (%)	1.0%									

Peer Comparison

Name	Last Price	Market Cap (RM'mn)	FYE	Earnings Growth		P/E (x)		Div. Yield 1-yr Fwd	ROE Hist.	
				1-yr Fwd	2-yr Fwd	Hist.	1-yr Fwd			2-yr Fwd
Domestic Scheduled Waste Management Peers		MYR								
HIAP HUAT HOLDINGS BHD	0.12	47.4	12/2025	N/A	N/A	10.3	N/A	N/A	N/A	4.0
TEX CYCLE TECHNOLOGY MALAYSIA BHD	1.10	294.9	12/2025	N/A	N/A	14.2	N/A	N/A	N/A	10.9
Simple Avg				N/A	N/A	12.2	N/A	N/A	N/A	7.5
Foreign Scheduled Waste Management Peers										
Germany		EUR								
BEFESA SA	29.34	5463.5	12/2024	18.9	3.4	13.5	11.7	11.3	3.9	11.0
France		EUR								
SECHE ENVIRONMENT SACA	80.70	2952.0	12/2025	97.4	36.8	29.3	14.8	10.8	1.5	4.2
VEOLIA ENVIRONMENT SA	33.21	114672.1	12/2025	6.0	9.4	18.1	14.0	12.8	4.8	10.2
Simple Avg				40.8	16.5	20.3	13.5	11.6	3.4	8.5
5E RESOURCES HOLDINGS BHD	0.26	400.4	12/2024	2.4	50.4	18.4	18.0	11.9	0.0	22.1

Source: Bloomberg estimates, Tradeview Research (As of 2nd April 2026)

SWOT Analysis

Strengths • Early-mover advantage in Malaysia's scheduled waste recycling market. • One-stop solution provider with broad SW code coverage. • Strong barriers to entry from licensing, land approval, and technical complexity.	Weakness • Limited scale and market share (~1%). • Geographic concentration in Johor, exposing near-term performance to a single region. • Malaysia's low adoption of circular scheduled waste solutions.
Opportunities • Circular economy adoption should lift demand for compliant disposal and recycling. • Johor and Perak expansions can drive volume growth and geographic diversification. • New revenue pools from SRF, EV battery recycling, and solar PV recycling.	Threats • Regulatory delays or slower-than-expected constructions for new capacity. • Competition from other licensed players as the market matures. • Volatility in recycled product prices and input recovery economics.

Investment Risk

- 1. Revenue visibility risk.** 5E does not have long-term recurring revenue contracts that obligate customers to use its services, as revenue is derived primarily from purchase orders and non-binding service agreements. As such, 5E must continuously secure new orders from customers to sustain revenue, and there is no assurance demand will remain consistent, which could result in revenue volatility.
- 2. Regulatory capacity constraint risk.** Each SW code that 5E is licensed to handle is subject to a DOE-stipulated monthly maximum quantity for each licensed facility. Exceeding these limits could lead to licence revocation, fines or other penalties, while the quota itself may constrain growth as increases require DOE approval and may take time. There is no assurance that future quota increases will be granted.
- 3. Operational safety and disaster risk.** Scheduled waste handling involves hazardous materials and exposure to transportation incidents, fires, natural disasters and utility disruptions that could cause environmental damage, regulatory action, reputational harm and operational interruptions. On 30 Sept 2025, a hydrogen sulphide release at the PLO 738 facility resulted in two fatalities and one hospitalisation, prompting investigations by relevant authorities and prohibition and improvement notices from DOSH. 5E subsequently implemented corrective measures including enhanced PPE and gas monitoring, revised SOPs and additional safety training, and the notices were lifted in Nov 2025 after remedial actions were completed. While 5E has undertaken to settle any potential fines and the incident has not materially affected operations or financial performance, there is no assurance similar incidents or enforcement actions will not occur in the future.

Financial Overview

Financial Review

5E's revenue recorded an 11.1% CAGR from FY22 to FY24, driven by growing awareness of circular waste management, which led to increased volumes of scheduled waste collected. In FY24, revenue remained largely flattish at RM80.1mn, representing a marginal 0.2% increase from RM80.0mn in FY23. This was mainly attributed to a 7.3% decline in the volume of scheduled waste collected, driven by a slowdown in upstream industrial activity. However, this was partially offset by a 10.7% increase in revenue from the supply of recovered and recycled products segment, primarily contributed by an 11.5% increase in revenue from the sale of recovered precious and other metals, supported by higher ASPs of zinc and silver.

Earnings in FY24 declined by 8.4% YoY, mainly due to a normalization of the effective tax rate to 25.3% (FY23: 21.0%), following the prior year's recognition of deferred tax assets. This was further compounded by a decline in GP margin from 49.8% in FY23 to 45.4% in FY24, attributable to higher costs of subcontracted services and higher material costs, particularly for diesel, fuel oil, and chemicals used in the recovery and recycling of scheduled waste.

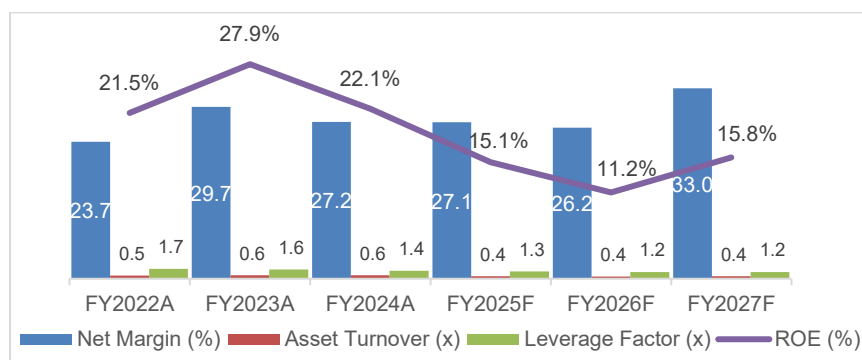
Financial Forecast

We are projecting 5E's core earnings to be RM22.3mn in FY25F and RM33.5mn in FY26F, driven by (i) higher capacity from the Johor expansion, (ii) margin expansion driven by usage of new equipment, and (iii) incremental contribution from new recovery technologies and broader SW code coverage.

FYE 31 Dec	FY2023A	FY2024A	FY2025F #	FY2026F	FY2027F
Revenue (RM'mn)	80.0	80.1	81.9	108.9	144.4
EBITDA (RM'mn)	32.3	32.2	38.4	50.3	77.3
Pretax profit (RM'mn)	30.1	29.2	29.2	37.5	62.6
Net profit (RM'mn)	23.8	21.8	22.2	28.5	47.6
EPS (sen)	1.5	1.4	1.4	1.9	3.1
PER (x)	16.8	18.4	18.0	14.0	8.4
Core net profit (RM'mn)	23.8	21.8	22.3	33.5	47.6
Core EPS (sen)	1.5	1.4	1.4	2.2	3.1
Core EPS growth (%)	54.3	-8.4	2.4	50.4	42.0
Core PER (x)	16.8	18.4	18.0	11.9	8.4
Net DPS (sen)	0.6	0.5	0.0	0.0	0.0
Dividend Yield (%)	2.5	2.1	0.0	0.0	0.0
ROE (%)	27.9	22.1	15.1	11.2	15.8
P/BV (x)	4.7	4.1	2.7	1.6	1.3

EPS and DPS are divided by the enlarged issued shares of 1,540,000,000 upon listing

Dupont Analysis



We project healthy ROE from FY25F to FY27F, as the company continues to generate good profits. The dip in FY25F is driven by a conversion of debt owed to the former ultimate holding company into equity via issuance of new shares. The dip in FY26F is mainly attributed to an increase in shareholders' equity following the IPO exercise.

Key Assumptions

Revenue growth	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Scheduled Waste Management Services Segment	28.6%	-1.5%	-0.7%	37.6%	38.6%
Supply of Recovered & Recycled Products Segment	-0.9%	10.7%	18.0%	12.0%	-3.0%
Trading of Chemicals & Other Products Segment	-9.8%	9.0%	18.0%	12.0%	12.0%

Sensitivity Analysis

Case 1: Changes in quantity of scheduled waste collected against GP Margin to derive earnings

Quantity of Scheduled Waste Collected in FY27F: 88,386 tonnes

GP Margin in FY27F: 50.8%

Quantity of scheduled waste collected (tonnes) / GP Margin (%)	78,386	83,386	88,386	93,386	98,386	103,386
44.8%	36.6	38.8	41.0	43.2	45.5	47.7
46.8%	38.5	40.9	43.2	45.6	47.9	50.3
48.8%	40.5	42.9	45.4	47.9	50.4	52.8
50.8%	42.4	45.0	47.6	50.2	52.8	55.4
52.8%	44.3	47.1	49.8	52.5	55.2	58.0
54.8%	46.3	49.1	52.0	54.8	57.7	60.5

Case 2: Changes in WACC against terminal growth rate to derive target price

WACC: 11.8%

Terminal Growth Rate: 1.0%

Core Net profit (RM'mn) / PE (x)	9.8%	10.8%	11.8%	12.8%	13.8%	14.8%
0.4%	0.46	0.40	0.35	0.31	0.28	0.25
0.6%	0.47	0.41	0.36	0.32	0.28	0.25
0.8%	0.48	0.41	0.36	0.32	0.29	0.26
1.0%	0.49	0.42	0.37	0.32	0.29	0.26
1.2%	0.49	0.42	0.37	0.33	0.29	0.26
1.4%	0.50	0.43	0.38	0.33	0.29	0.26

Financial Exhibits

Income Statement

FYE 31 Dec (RM mn)	FY2022A	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Revenue	65.0	80.0	80.1	81.9	108.9	144.4
Operating expenses	(41.5)	(47.7)	(47.9)	(43.6)	(58.6)	(67.1)
EBITDA	23.5	32.3	32.2	38.4	50.3	77.3
Depreciation & amortisation	(3.3)	(3.4)	(4.6)	(10.9)	(14.8)	(16.8)
EBIT	20.2	28.9	27.6	27.4	35.5	60.4
Net int income/(expense)	0.3	1.3	1.6	1.8	2.0	2.2
Exceptional gains / (losses)	0.0	0.0	0.0	(0.1)	(5.0)	0.0
Associates' contribution	0.0	0.0	0.0	0.0	0.0	0.0
Pretax profit	20.5	30.1	29.2	29.2	37.5	62.6
Tax	(5.1)	(6.3)	(7.4)	(7.0)	(9.0)	(15.0)
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	15.4	23.8	21.8	22.2	28.5	47.6
Core net profit	15.4	23.8	21.8	22.3	33.5	47.6

Balance Sheet Statement

FYE 31 Dec (RM mn)	FY2022A	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Fixed assets	50.3	62.0	70.4	91.5	116.7	115.2
Other long term assets	0.3	0.0	0.0	0.0	0.0	0.0
Total non-current assets	50.6	62.0	70.4	91.5	116.7	115.2
Cash and equivalents	60.0	61.5	53.6	72.5	163.4	208.9
Inventories	0.5	0.4	0.4	0.4	0.6	0.8
Receivables	9.4	13.2	13.9	24.6	18.3	24.3
Other current assets	0.7	0.1	0.0	0.0	0.0	0.0
Total current assets	70.7	75.2	67.9	97.5	182.3	234.0
Payables	9.7	11.2	8.6	11.3	13.6	16.2
Short term borrowings	0.6	0.6	0.5	0.5	0.5	0.5
Other current liabilities	25.4	26.6	27.0	27.0	27.0	27.0
Total current liabilities	35.7	38.4	36.0	38.7	41.0	43.7
Long term borrowings	12.2	12.1	1.8	1.8	1.8	1.8
Other long term liabilities	1.9	1.4	1.7	1.7	1.7	1.7
Total long term liabilities	14.0	13.5	3.6	3.6	3.6	3.6
Shareholders' Funds	71.6	85.4	98.7	146.7	254.4	302.0
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0

Cash Flow Statement

FYE 31 Dec (RM mn)	FY2022A	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Pretax Profit	20.5	30.1	29.2	29.2	37.5	62.6
Depreciation & amortisation	3.3	3.4	4.6	10.9	14.8	16.8
Working capital changes	2.3	0.7	(2.5)	(8.0)	8.4	(3.5)
Cash tax paid	(5.8)	(7.8)	(7.0)	(7.0)	(9.0)	(15.0)
Others	(0.2)	(1.5)	(2.7)	0.0	0.0	0.0
C/F from operation	20.0	25.0	21.6	25.1	51.7	60.9
Capex	(3.6)	(17.2)	(8.1)	(32.0)	(40.0)	(15.4)
Others	1.8	2.5	(12.0)	0.0	0.0	0.0
C/F from investing	(1.9)	(14.7)	(20.1)	(32.0)	(40.0)	(15.4)
Debt raised/(repaid)	(3.6)	(0.6)	(0.5)	(0.0)	(0.0)	(0.0)
Dividends paid	0.0	(10.0)	(8.4)	0.0	0.0	0.0
Others	23.5	1.6	(0.4)	25.8	79.2	0.0
C/F from financing	19.9	(9.0)	(9.3)	25.8	79.2	(0.0)
Net change in cash flow	38.1	1.4	(7.8)	18.9	90.9	45.5
Free Cash Flow	16.4	7.8	13.5	(6.9)	11.7	45.5



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TRADING BUY: Total stock return expected to exceed +10% over 6-month period

TRADING SELL: Total stock return expected to below -10% over a 6-month period

IPO Note:

SUBSCRIBE: Total stock return expected to exceed +15% over 12-month period

NEUTRAL: Total stock return expected to below +15% over 12-month period