EI Power Berhad (0453)

Powering Data Centre Resilience

Bloomberg Ticker: EIPOWER MK | Investment Horizon: 12 Months

Recommendation

We recommend a **Subscribe** rating for EI Power Berhad (EIP), with a **target price of RM0.700, representing a 46% upside**. EIP is a frontrunner in Malaysia's data centre mission-critical power solutions market. We favour EIP for its (i) strong track record and established contractor relationships, (ii) strong order book visibility, and (iii) expansion into Thailand.

Investment Highlights

Strong Track Record, Market Leadership and Order Book Visibility. EIP is an early mover in Malaysia's mission critical power solutions (MCPS) space for data centres (DCs), securing its first DC project in 2021. Its leadership is supported by: (i) a strong track record (33 DC projects >RM2mn secured across FY22–3MFY26), (ii) established contractor relationships (CCIE Engineering as its largest client over FY23–FY25, contributing 49.5% of FY25 revenue); and (iii) a broad client base including Sunway Construction, Syarikat Pembenaan YTL, SECM, PMX Malaysia, and more. According to IMR, EIP leads Malaysia's MCPS EPCC market with ~59% share, well ahead of Aggreko Malaysia and CSPM. This is backed by a strong order book of RM99.9mn as of 24 March 2026 (1.3x book-to-bill), with 98% tied to DC-related projects and RM98.3mn scheduled for recognition in FY26F, while its tender book remains robust at >RM100mn (25–30% win rate). We expect Malaysia's DC capacity to add ~1,000MW of incremental capacity over FY26F–FY28F from ~1,025MW in 2025, with a higher mix of Tier III and Tier IV DCs increasing backup power intensity per MW. Accordingly, we forecast EIP's Malaysia MCPS revenue to grow at a 26.2% CAGR from RM66.8mn in FY25 to RM134.1mn by FY28F, assuming a market share of 5.4-6%, with GP margin rising to ~40% (38.1% in FY25) driven by a higher-value project mix and growing maintenance income.

Thailand Expansion Unlocks New TAM. Thailand is emerging as EIP's second growth pillar, offering a less saturated but rapidly scaling DC market, with operational capacity of ~350MW in 2024 projected to reach ~1,000MW by 2027, and a total pipeline exceeding 2,900MW as of September 2025. EIP has established its local presence via EIP Thailand and is currently securing key regulatory approvals (expected by end FY26). Execution risk is mitigated by its strategy to initially deploy its Malaysian team before gradually localising its workforce using part of the IPO proceeds. As of March 2026, EIP has submitted four tenders totalling ~RM75mn, primarily from its long-standing client CCIE Engineering, supporting early pipeline traction. We forecast Thailand's revenue contribution to scale from ~RM6mn in FY26F to RM30.0mn in FY27F and RM60.0mn in FY28F, driven by increasing market penetration, greater awareness, and accelerating DC construction activity.

BEES Venture. EIP's expansion into Building Energy Efficiency Systems (BEES) introduces a recurring, shared-savings model with zero upfront capex for commercial and industrial clients, with revenue expected from 2HFY26. However, we expect contributions to remain modest at RM1–5mn over FY26F–FY28F as EIP continues to focus on DC-related projects, while group GP margin eases slightly to ~39% (vs. 40.1% in FY25) due to lower non-MCPS margins of 15–20%.

FYE 31 Dec (RM'mn)	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue (RM'mn)	50.4	77.4	120.7	159.1	201.2
EBITDA (RM'mn)	11.2	25.8	36.9	51.9	66.0
Pretax profit (RM'mn)	12.0	25.6	35.4	50.4	65.0
Net profit (RM'mn)	9.1	19.3	26.9	38.3	49.4
EPS (sen)	1.3	2.8	3.8	5.5	7.1
PER (x)	37.1	17.4	12.5	8.8	6.8
Core net profit (RM'mn)	9.1	19.3	29.6	38.3	49.4
Core EPS (sen)	1.3	2.8	4.2	5.5	7.1
Core EPS growth (%)	101.8	113.6	52.9	29.5	29.0
Core PER (x)	37.1	17.4	11.4	8.8	6.8
Net DPS (sen)	0.4	2.0	0.4	0.5	0.7
Dividend Yield (%)	0.9	4.2	0.8	1.1	1.5
ROE (%)	62.5	97.6	25.4	27.2	26.7
P/BV (x)	23.2	16.9	3.2	2.4	1.8

Subscribe

Target Price: RM0.700 (+46%)

Current Share Price: RM0.480

Ace Market
Construction

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Valuation

Our target price is based on:

FY27F PE of 12.8x, in line with the simple average forward PE of its domestic DC Mechanical, Electrical and Plumbing peers.

Listing Timeline

Subscription Start Date	21 April 2026
Subscription Deadline	6 May 2026
Ballot Result	11 May 2026
Listing date	21 May 2026

Listing Details

Shariah Compliant	Yes
New Shares (mn)	129.5
Fund Raised (RM'mn)	62.2
Offer for Sale (mn)	70.0
Offer for Sale (RM'mn)	33.6
Market Capitalization (RM'mn)	336.0

Offering	Total (mn)	Total (%)
Malaysia Public (Bumi)	17.5	2.5
Malaysia Public (Non- Bumi)	17.5	2.5
Pink Form	17.5	2.5
Selected Investors	45.5	6.5
MITI	87.5	12.5
Entitled Shareholders of OCK	14.0	2.0
Total	**199.5**	**28.5**

Investment Thesis

Malaysia Data Centre Supercycle

Hyperscale Expansion Led by Johor. Malaysia's data centre (DC) sector is entering a rapid scale-up phase, with total operational capacity estimated at ~1,025 MW in 2025 by JLL Malaysia and expected to be more than double to ~2,000 MW by end-2026. This is driven primarily by hyperscale DC development in Johor, which alone has ~1,500 MW under construction (approved 51 data-centre projects, out of which 17 are operational, 11 are under construction, and 23 have received approval).

The expansion is underpinned by Malaysia's structural advantages, including (i) land availability, (ii) relatively lower power costs, and (iii) strong cross-border connectivity. However, the pace of growth is increasingly constrained by water availability and power infrastructure readiness. Despite these constraints, the industry remains far from saturation. Water limitations can potentially be mitigated through the adoption of liquid cooling technologies, while TNB's grid modernisation plans are progressing to support rising power demand. Additionally, DC operators may explore on-site power generation via alternative solutions such as gas turbines, although these remain relatively untested at scale.

Backup Power Demand Accelerates. Under the Uptime Institute classification, DCs are categorised from Tier I to Tier IV, with higher tiers requiring greater redundancy and fault tolerance. Tier III and Tier IV facilities (the standard for hyperscale and AI workloads) require high power reliability, as any interruption can lead to data corruption, workload failure, and cascading system disruptions.

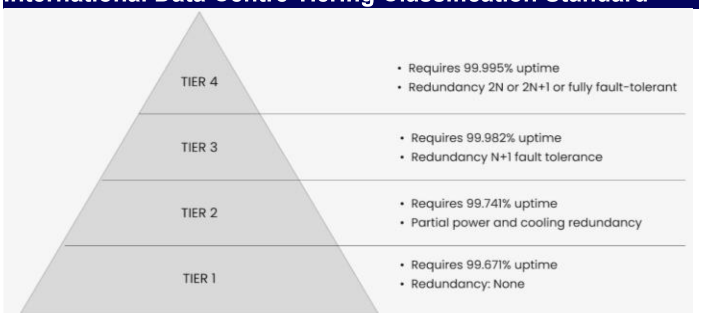
As operators scale capacity and move up the tier spectrum, power reliability becomes the key design constraint. This drives the need for robust backup power architecture, including uninterruptible power supply (UPS) systems to bridge short-term outages, and backup generators to ensure continuous uptime. Diesel generators remain the dominant backup solution, directly benefiting EIP (86.3% of FY25 revenue derived from mission critical power solutions (MCPS) DC projects).

Generators Comparison

Criteria	Diesel Generator	Gas Turbine	BESS	Fuel Cells	UPS
Typical DC Use Case	Standard Backup Layer	Primary Power Supply	UPS Extension	Niche Deployment	Bridge
Start Time	Seconds	Minutes	Milliseconds	Seconds-minutes	Milliseconds
Black Start Capability	Yes	Limited	No	Limited	No
Energy Source	On-site diesel storage	LNG/Pipeline Gas	Stored electricity	Hydrogen/ Natural Gas	Stored Electricity
Duration Capability	Days	Days	Minutes - Hours	Hours	Seconds - Minutes
Scalability	Excellent	Limited (large size)	Moderate (Higher Cost)	Moderate (Higher Cost)	Not scalable

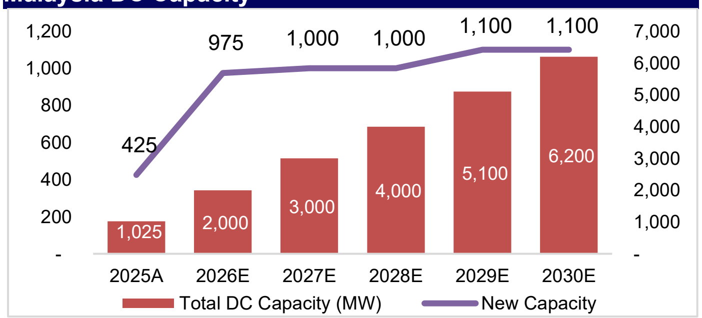
Source: Tradeview Research

International Data Centre Tiering Classification Standard



Source: CxPlanner.com, Uptime Institute

Malaysia DC Capacity



Source: Variable News Source, Tradeview Research

Competitive Edge in DC Power Solutions

Strong Track Record & Market Share. EIP emerged as a pioneer in Malaysia's mission-critical power solutions (MCPS) space for data centres (DCs), having secured its first DC MCPS project in 2021. We view EIP as one of the leading pure-play DC MCPS players in Malaysia. This is supported by: (i) a strong track record across both the central and southern regions (33 DC projects secured with contract values above RM2.0mn over FY22–3MFY26), (ii) established relationships with key main contractors (with CCIE Engineering as the largest client over FY23–FY25, contributing 49.5% of FY25 revenue), and (iii) a proven ability to secure projects from multiple major contractors, including Sunway Construction, Syarikat Pembenaan YTL, SECM Sdn Bhd, PMX Malaysia, Promatrix DC Solution, and more.

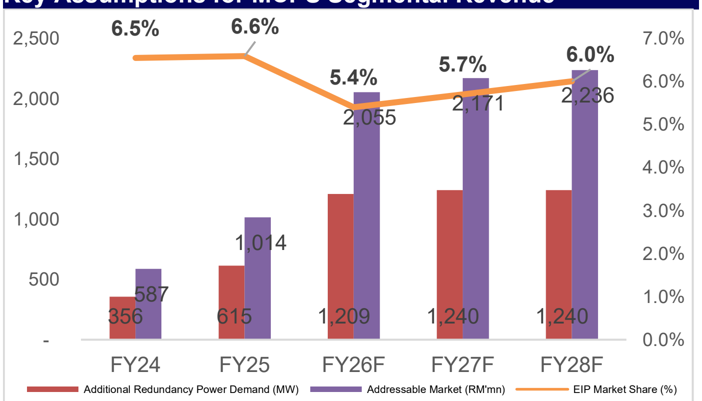
According to the IMR Report (Providence), EIP holds the largest market share (~59%) in Malaysia's EPCC segment for MCPS. In comparison, its two key peers, Aggreko Malaysia and CSPM, recorded revenues of RM17.0mn (FY24) and RM17.9mn (FY23), respectively, versus EIP's RM50.4mn in FY24. More recently, Kawan Renergy secured its first DC diesel generator system project worth RM70.0mn, indicating new entrants into the space. However, we believe competitive intensity remains manageable, as demand continues to outpace supply, with industry-wide manpower constraints limiting execution capacity.

Strong Order Book & Earnings Visibility. EIP's order book stands at RM99.9mn as of 24 March 2026, implying a book-to-bill ratio of 1.3x, with 98% comprising DC-related projects and RM98.3mn scheduled for recognition in FY26F. The tender book exceeds RM100.0mn, supported by a historical win rate of 25–30%. We therefore believe EIP will benefit from structural DC growth, forecasting its Malaysia MCPS segment revenue to grow at a 26.2% CAGR over FY25–FY28F, increasing from RM66.8mn in FY25 to RM134.1mn by FY28F.

Our forecasts are underpinned by the following assumptions: (i) ~1,000MW of additional DC capacity over FY26–FY28, (ii) capacity mix of 70% Tier III, 20% Tier IV, and 10% Tier I & II (supported by recent Johor policies prioritising Tier III and IV developments due to lower water intensity), (iii) generator cost of RM1.5mn per 2MW unit (assuming 3% YoY inflation), (iv) engineering costs at 1.2x generator cost, and (v) EIP market share of 5.4-6%, slightly below the previous level, as we expect the addressable market to grow faster than EIP can expand its manpower capacity to sustain a similar share. In addition, recurring maintenance income is expected to kick in, as previous completed DC projects begin to exit their two-year defect liability periods.

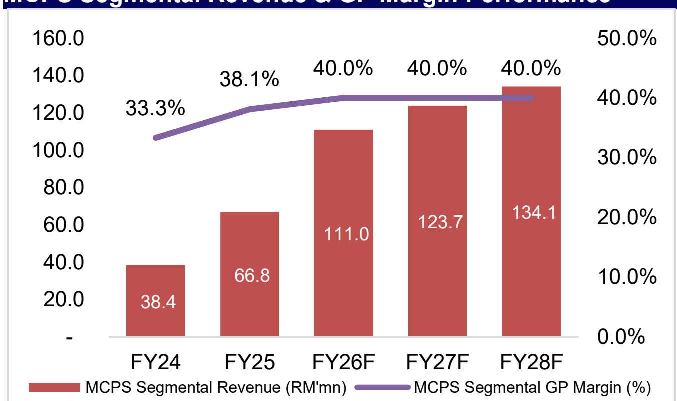
Typically, DC projects range between RM10–15mn per phase, with installation works taking approximately six months post site handover. Going forward, we expect EIP to secure higher-value contracts as it increasingly undertakes more technically complex projects, particularly those involving more advanced programmable logic controller (PLC) systems for diesel generator and fuel distribution systems. Consequently, we forecast MCPS segment GP margins to expand to ~40% over FY26F–FY28F, compared to 38.1% in FY25.

Key Assumptions for MCPS Segmental Revenue



Source: Company Prospectus, Tradeview Research

MCPS Segmental Revenue & GP Margin Performance



Source: Company Prospectus, Tradeview Research

Thailand DC Build-Out Opens New TAM

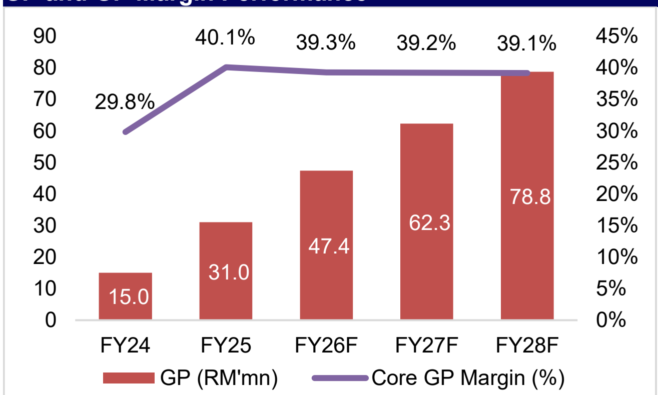
Thailand DC Market Scaling Up. Thailand's DC market remains smaller than Malaysia's but is scaling rapidly. According to the Thai Data Center Association, operational capacity stood at ~350MW in 2024 and is projected to reach ~1GW by 2027, while total pipeline capacity exceeded 2.9GW as of September 2025. On the investment front, Thailand's Board of Investment (BOI) approved ~RM11bn of DC and cloud investments in March 2025, followed by another ~RM12bn in November 2025 (covering 376MW of IT load across multiple DCs). The investor base is both broad and high quality, including TikTok's THB126.8bn data-hosting project, Google's ~US$1bn investment plan, Amazon Web Services's ~US$5bn commitment, and Microsoft's ~US$1bn investment over the next two years, alongside various local and regional players.

Licensing & Execution Roadmap. In July 2025, EIP incorporated EIP Thailand and has since applied for a Foreign Business Licence and Investment Promotion Certificate, both currently pending approval from the BOI. Upon approval, EIP Thailand will proceed to apply for a Controlled Engineering Profession (CEP) licence prior to commencing operations. However, operational execution risk appears manageable. Upon project awards, EIP plans to deploy its Malaysian team to deliver projects, while gradually localising its workforce in Thailand using part of its IPO proceeds.

Thailand as Next Growth Driver. As of March 2026, EIP has submitted four tenders for EPCC services related to fuel distribution systems, with a total value of ~RM75mn. These tenders are primarily from a long-standing client, CCIE Engineering. We are constructive on EIP's win probability given its established track record and relationship with CCIE Engineering, which has been its largest customer over the past three years.

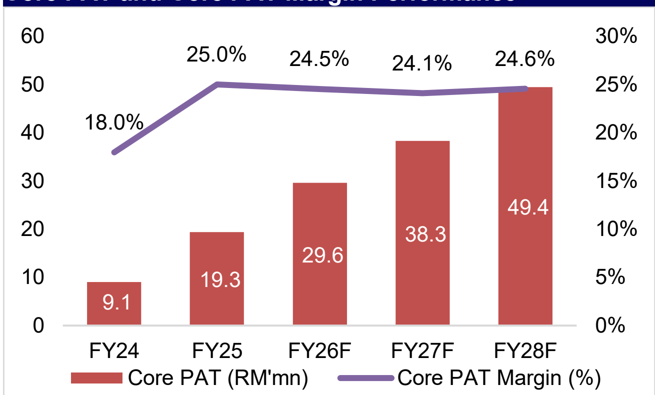
Overall, we view Thailand as a fast-emerging DC market with lower saturation, offering EIP an opportunity to replicate its Malaysia success while expanding its total addressable market (TAM). We expect Thailand's revenue contribution to remain modest at ~RM6mn in FY26F, but to scale to RM30.0mn in FY27F and double further to RM60.0mn in FY28F, driven by increasing market penetration, awareness, and accelerating DC construction activity.

GP and GP Margin Performance



Source: Company Prospectus, Tradeview Research

Core PAT and Core PAT Margin Performance



Source: Company Prospectus, Tradeview Research

ESG-Driven Energy Solutions Expansion

Margin Dilution Risk from BEES Venture. EIP is expanding into lease-like Building Energy Efficiency Systems (BEES), targeting commercial and industrial property owners seeking ESG compliance and energy cost optimisation. Covering chiller optimisation, smart LED lighting, and HVAC upgrades, BEES operates on a zero-capex shared-savings model, where EIP funds design, installation, and maintenance, retaining asset ownership while earning a recurring share of verified energy savings over a 10–15-year contract. This model provides a long-term recurring income stream, with initial revenue contribution expected from 2HFY26. However, we expect BEES contribution to be minimal (RM1-5mn over FY26F-28F) and will slightly dilute group GP margins to ~39% over FY26F–FY28F (vs. 40.1% in FY25), as MCPS projects carry higher margins, while non-MCPS projects typically generate gross margins of 15–20%.

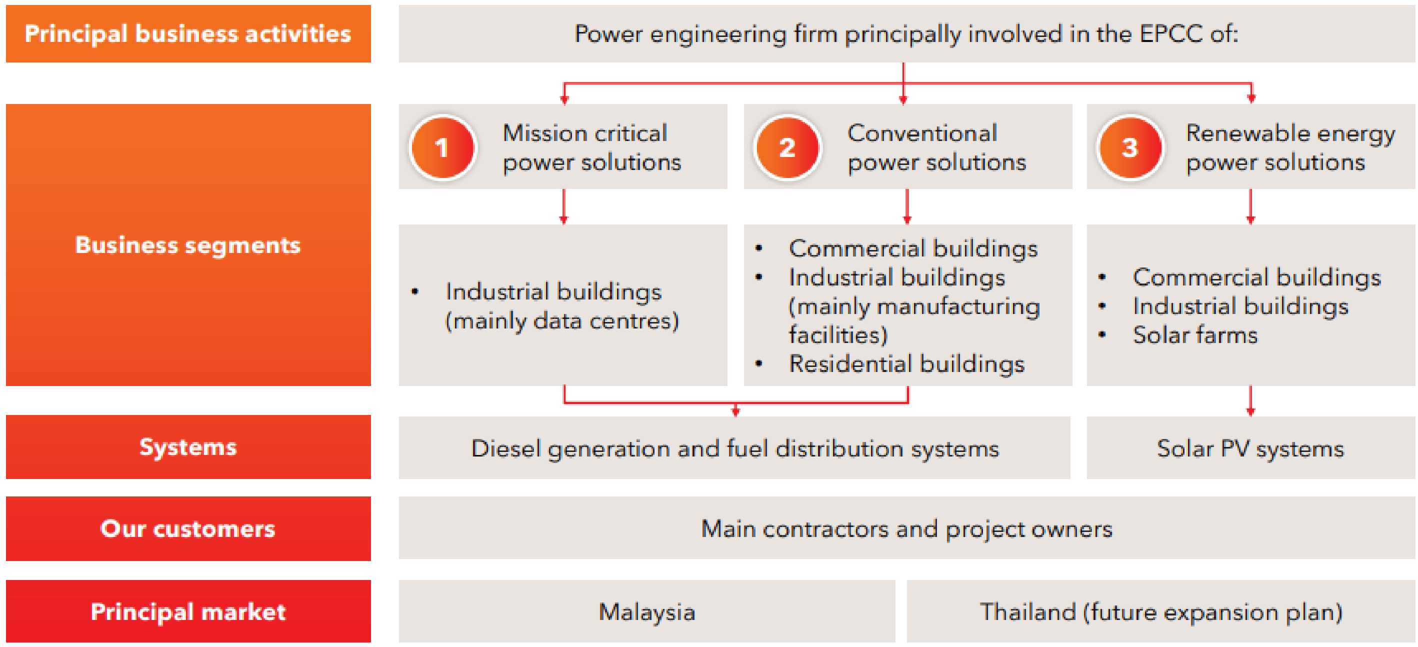
Company Overview

EI Power Technologies (EIPT) was incorporated in September 2010 by Ir. Albert Chang and Ho Chun Fay to provide conventional power solutions, securing its first generator-set contract in Kuala Lumpur (RM0.1mn) the same year. In late 2010, EIPT brought in OCK Setia Engineering as a strategic shareholder and director. Ho Chun Fay exited in 2014, and the minority shareholding changed hands again in 2014 and 2021 before stabilising under the current structure.

From 2013 EIPT diversified into renewable energy, winning a landmark RM27.87mn EPCC contract to install a 10MWp solar PV system in Sepang. EIPT became a Registered PV Service Provider (SEDA) in 2015, upgraded to CIDB G7 in 2017, and progressed its electrical contractor registration from EC Class B (2022) to Class A (2023), enabling participation in much larger projects. Key wins since include a Pulau Pinang project (RM27.44mn, 2022), a Johor Bahru project (RM16.0mn, 2024) and Nilai 1 (RM16.1mn, 2025). Notably, its first mission-critical data centre EPCC was secured in 2021 (RM1.47mn).

Today EI Power (EIP) positions itself as an EPCC power engineering firm focused on three segments (mission critical, conventional and renewable power solutions) offering end-to-end design, supply, installation, testing, commissioning and maintenance of diesel generation, fuel distribution and solar PV systems for built environments. EIP operates on a project-based revenue model (contract revenue recognised over the contract period) and differentiates by capability to deliver larger, more complex mission-critical systems (designed to provide 24–48 hours of emergency power) versus conventional solutions (typically 6–12 hours for essential systems).

Business Model Overview



Source: Company presentation slide

Utilisation of the RM62.2mn from the IPO Proceeds

Purposes	RM'mn	%	Estimated timeframe for utilisation from the listing date
Acquisition and setup of new headquarters cum warehouse in Selangor	18.3	29.4	36 months
Capex for installation of building energy efficiency systems	10.0	16.1	24 months
Establishment of an office in Thailand	1.4	2.2	24 months
Establishment of a branch office and warehouse in Johor	2.3	3.7	24 months
Working capital	24.9	40.1	24 months
Estimated listing expenses	5.3	8.5	1 month

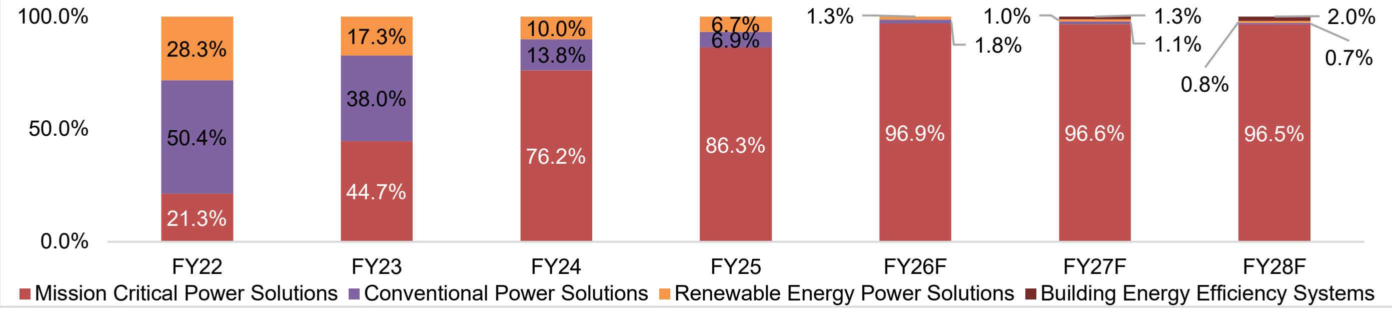
Source: Company Prospectus

Business Segments

Segments	Description	Visualization / Services	
Mission Critical Power Solutions	• Provide end-to-end EPCC for large-scale, high-availability diesel generation and fuel distribution systems for mission-critical facilities such as data centres, semiconductor plants, financial institutions and government facilities • Capabilities include power system design and load analysis, BIM-based engineering, procurement of generator sets and fuel systems, installation of bulk storage tanks, pipelines, pump houses and PLC control systems, multi-level testing and commissioning (Levels 1–5), system integration and handover, with optional maintenance support	 DC Underground Diesel Storage Tank & Fuel Distribution System	 DC Pump House and PLC system for a Diesel Generation and Fuel Distribution System
Conventional Power Solutions	• Provide EPCC and hook-up and commissioning of diesel generation and fuel distribution systems for commercial, industrial and residential buildings to ensure continuity of essential operations during power outages • Capabilities include generator set sizing and selection, supply and installation of generator sets, ATS and distribution panels, limited fuel system design (day tanks), electrical and mechanical installation, testing and commissioning, defect rectification and ad-hoc maintenance services	 Commercial Building's Generator Set & Batteries for a Diesel Generation System	 Industrial Building's Generator Set for a Diesel Generation System
Renewable Energy Power Solutions	• Provide EPCC of rooftop and utility-scale solar PV systems for commercial and industrial buildings as well as solar farms, supporting self-consumption and grid-connected power generation • Capabilities include solar PV system planning and engineering design, procurement of PV modules and inverters, construction and installation works, grid interconnection, testing and commissioning, project handover and defect liability rectification	 2.30 MWp Solar PV System Installed at an Industrial Building	

Source: Company Prospectus, Company presentation slide, Tradeview Research

Revenue by Segment

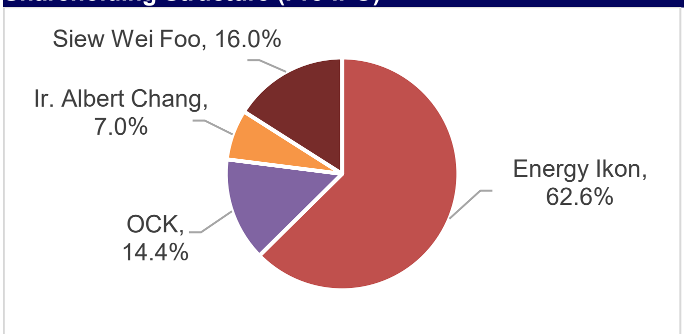


Source: Company Prospectus, Tradeview Research

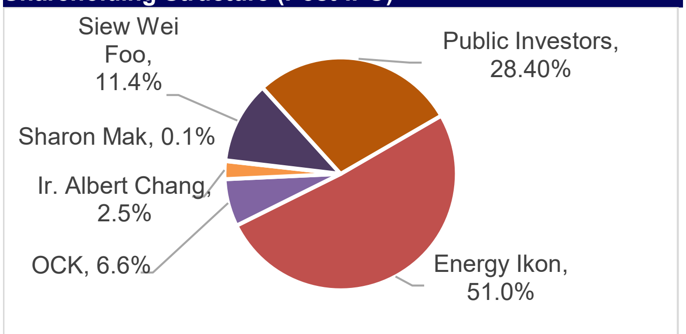
Management Team

Name and Designation	Profile
Ir. Albert Chang Promoter Executive Director CEO	Ir. Albert Chang was appointed to the Board on 14 May 2025. He holds a Bachelor of Electrical & Electronics Engineering (Hons) from Universiti Tenaga Nasional (2002) and is a registered Professional Engineer (Electrical) with the Board of Engineers, Malaysia. He is also a Member of the Institution of Engineers, Malaysia. His technical credentials include a SEDA Malaysia Certificate for Grid-Connected PV Systems and a Data Centre Professional certification (EXIN EPI, 2025). Albert began his career at Panasonic Industrial Devices Malaysia in 2002 and moved through roles at SECM, Amsteel Mills and KTA Tenaga before joining Exyte (Singapore) as Senior Electrical Engineer (2008–2010). He co-founded EIPT in 2010 and leads the Group's growth strategy, operations and business development. He holds a 40.0% stake in Energy Ikon, while OCK Group Berhad holds the remaining 60.0%.
Datuk Jamaludin Bin Nasir Independent Non-Executive Chairman	Appointed 16 July 2025, Datuk Jamaludin holds dual bachelor's degrees in Finance & Business Economics and Arts (Economics) from Southern Illinois University and an MBA from Texas A&M International University. He brings nearly 40 years' experience across retail, commercial, corporate and investment banking, including senior roles at Kwong Yik Bank (RHB), Dresdner Bank/Dresdner Kleinwort, Maybank and Asian Finance Bank. He was Group CEO of Malaysian Rating Corporation Berhad (2019–June 2024) and served as adviser thereafter. He is currently Senior Group Adviser at SMH Rail (from Jan 2025) and holds independent directorships at Kotra Industries Berhad, Swift Haulage Berhad and Affin Hwang Investment Bank Berhad.
Datuk Wira **Ooi Chin Khoon** Non-Independent Non-Executive Director	Datuk Wira Ooi was appointed at incorporation on 14 May 2025 and redesignated Non-Independent Non-Executive Director on 16 July 2025. A diploma and BSc (Electrical & Electronic Engineering) graduate, he founded OCK Setia Engineering Services (1998) and expanded the business into Delicom/ OCK Digital to serve the telecommunications sector. He is Group Managing Director of OCK Group Berhad and serves as EIPT director since 2010. On the Board, he is the corporate representative of OCK and contributes telecoms infrastructure and operations experience.
Sharon Mak Promoter Executive Director COO	Sharon Mak was appointed to the Board on 16 July 2025. She holds a Bachelor of Commerce (Accounting & Finance) from Monash University and has been a member of CPA Australia since 2001. Sharon began at Deloitte (tax) in 2000, moved to Aseambankers (corporate finance) in 2003 and then held accounting and sales/marketing roles at Wengcon/Knusford before becoming Marketing Manager for power generation equipment. She co-founded and directed sales at Energy Icon (2008–2010) before joining EIPT as Marketing Director in November 2010. She was promoted to COO in 2025 and is responsible for project feasibility, market coverage and sales & marketing.
Yong Shan Miao Head of Finance	Yong Shan Miao joined the Group as Head of Finance in February 2025. She holds an Advanced Diploma in Commerce (Financial Accounting), became an ACCA member in 2014 (Fellow in 2019) and is a Chartered Accountant (MIA) since 2016. Her career includes assurance roles at PwC (2011–2013), finance and group reporting roles in hospitality and construction groups, and finance management at MLDC Berhad and Sime Darby Property. She founded non-audit practice YSM & Co and YSM Corporate Services (2022) and ceased consultancy involvement in February 2025 to focus on her Group role; she resigned and disposed of her interests in those firms in July 2025.

Shareholding Structure (Pre-IPO)



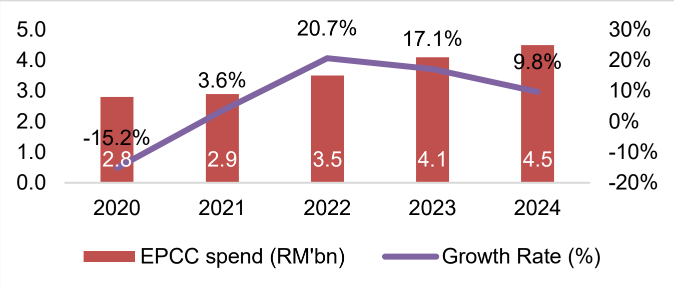
Shareholding Structure (Post-IPO)



Industry Outlook

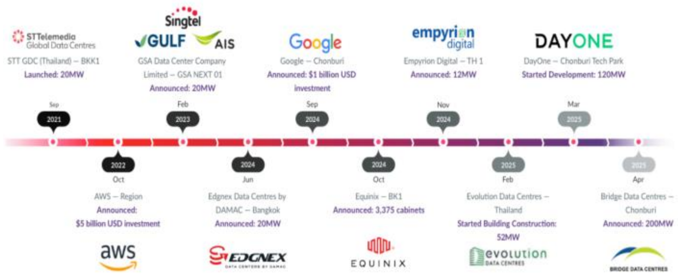
Growing Power engineering industry in Malaysia. The power engineering industry in Malaysia, based on the value of EPCC spend on mission critical power solutions, conventional power solutions and renewable energy power solutions, grew from RM2.8bn in 2020 to RM4.5bn in 2024 at a CAGR of 12.6%, based on PROVIDENCE. In practice, this industry serves facilities where power continuity is critical, including data centres, semiconductor plants, military facilities and financial institutions, as well as commercial, industrial and residential buildings. Mission critical facilities rely heavily on backup diesel generation and fuel systems to ensure uninterrupted operations in the event of grid outages, while conventional power solutions provide standby power for commercial and industrial properties. As economic activity normalised from 2022 onwards, demand recovered, supported by the resumption of construction activity and the acceleration of data centre development. This indicates a multi-year demand runway for EPCC players with technical capability, project execution track record, and access to key customer relationships.

EPCC spend on power engineering solutions in Malaysia



Source: Company Prospectus IMR Report (PROVIDENCE)

Developments in Bangkok Data Centre Market



Source: DC Byte

Data centre build-out remains the strongest structural driver for mission critical power solutions. Malaysia has emerged as a key regional data centre destination due to its strategic location, relatively low electricity tariffs, adequate water supply, tax incentives, low natural disaster risk and ample land availability. Data centre development has been concentrated in Selangor and Johor, and the pipeline remains robust following major commitments from Microsoft, Google, Chindata, GDS, Bridge Data Centres, AWS and YTL. Johor has become the key focal point, with 42 data centre construction projects approved in 2Q2025 and 7,618 acres of planned industrial land allocated for data centre development.

Renewable energy adoption further broadens the demand base. The government's National Energy Policy 2022–2040, NETR, CGPP and CRESS initiatives are reinforcing Malaysia's solar adoption pathway. These policies aim to increase solar capacity through rooftop aggregation, virtual power purchase arrangements, third-party grid access and utility-scale solar rollouts. LSS 5 and LSS PETRA 5+ further support the near-term pipeline, while NETR targets renewable energy to make up 70% of installed capacity by 2050, with solar PV expected to be the principal growth engine. This strengthens demand for solar EPCC services, especially among corporates seeking to meet ESG and RE100 commitments.

Thailand adds an incremental regional growth avenue. Thailand is increasingly emerging as a strategic alternative data centre destination in Southeast Asia due to its central location, improving telecom infrastructure, stable operating environment, pro-business incentives and relatively lower setup costs versus Singapore and Hong Kong. Thailand has around 50 data centres, mainly clustered in Bangkok, while investment momentum has accelerated sharply, with government approvals for data centre and cloud projects continuing through 2025. Major commitments from TikTok, AWS, Alibaba Cloud, Google and Microsoft indicate a growing ecosystem of hyperscale and cloud infrastructure spending. As of May 2025, Thailand's data centre and cloud services industries had attracted 45 promoted projects totalling 380.8bn Baht, which provides a growing regional opportunity for companies with mission critical power engineering capabilities.

Valuation

We recommend a **Subscribe** rating and a **target price of RM0.70** based on FY27F PE of 12.8x, in line with the simple average forward PE of 12.8x for its domestic Mechanical, Electrical and Plumbing peers, which are benefiting from the data centre (DC) boom. Although EIP is expected to deliver much faster earnings growth and better margins, we do not apply a premium PE because of its smaller market capitalisation, which results in thinner liquidity. In addition, we remain cautious about the possibility of OCK Group cashing out its holdings in EIP, although there is currently no indication of this.

We like EIP for its strong DC exposure with proven execution track record and established customer relationships. Key growth drivers include (i) robust order book and tender pipeline, (ii) Malaysia DC capacity expansion, and (iii) Thailand expansion.

Peer Comparison

Name	Last Price	Market Cap (RM'mn)	FYE	Earnings Growth 1-yr Fwd	Earnings Growth 2-yr Fwd	P/E (x) Hist.	P/E (x) 1-yr Fwd	P/E (x) 2-yr Fwd	Div. Yield 1-yr Fwd	ROE Hist.
Domestic DC Mechanical, Electrical, and Plumbing Peers	**MYR**									
CBH ENGINEERING HOLDING BHD	0.59	1,109.7	12/2025	59.5	9.8	23.0	14.4	13.1	0.8	29.4
CRITICAL HOLDINGS BHD	0.83	306.7	06/2025	7.7	11.1	9.8	10.2	9.2	2.5	37.9
MN HOLDINGS BHD	2.16	1,430.6	06/2025	50.0	26.0	17.3	17.6	13.9	0.5	31.0
CHEEDING HOLDINGS BHD	0.74	590.0	03/2025	27.1	19.0	10.9	17.6	14.8	1.4	52.3
Simple Avg				**36.1**	**16.5**	**15.2**	**14.9**	**12.8**	**1.3**	**37.6**
EI POWER BHD	0.48	336.0	12/2025	52.9	29.5	17.4	11.4	8.8	0.8	97.6

Source: Bloomberg estimates, Tradeview Research (As of 30th April 2026)

Name	Gross Margin (%) FY24	FY25	FY26F	FY27F	EBITDA Margin (%) FY24	FY25	FY26F	FY27F	Profit margin (%) FY24	FY25	FY26F	FY27F
CBH ENGINEERING HOLDING BHD	27.0	33.5	N/A	N/A	20.3	28.1	19.2	20.1	15.4	22.0	14.2	14.2
CRITICAL HOLDINGS BHD	18.4	15.1	15.0	15.0	11.3	11.6	11.4	11.3	7.2	8.5	8.7	8.7
MN HOLDINGS BHD	20.3	21.4	N/A	N/A	11.6	13.6	13.2	13.1	6.6	8.8	9.7	9.4
CHEEDING HOLDINGS BHD	44.5	38.3	41.0	42.8	33.8	31.4	32.4	31.2	23.2	22.4	23.8	23.2
Simple Avg	**27.5**	**27.1**	**28.0**	**28.9**	**19.2**	**21.2**	**19.1**	**18.9**	**13.1**	**15.4**	**14.1**	**13.9**
EI POWER BHD	29.8	40.1	39.3	39.2	22.2	33.3	30.5	32.6	18.0	25.0	24.5	24.1

SWOT Analysis

Strengths	Weakness
• Strong track record and established contractor relationships • Early mover advantage since 2021 in DC MCPS segment • Dominant market share in Malaysia's MCPS EPCC niche	• Heavy dependence on MCPS / DC segment • Customer concentration, especially among key contractors • Smaller scale relative to large construction peers may limit participation in mega projects.
Opportunities	**Threats**
• Malaysia DC supercycle • Thailand Expansion • Higher value, more technically complex jobs can support margin uplift	• Intensifying competition as new entrants come in • Execution risk in Thailand • Manpower bottleneck risk

Investment Risk

1. **Equipment procurement and input cost volatility risk.** EIP's cost structure is heavily driven by purchased equipment and components, which made up 73%–90% of cost of sales in FY22–24. Key items such as generator sets, fuel tanks, control panels, valves, power cables and solar PV components accounted for over 80% of annual purchases. Any supply disruption or sharp increases in steel and copper prices could delay project delivery, raise costs and pressure margins if not passed through to clients.

2. **Concentration risk in data centre, construction and property markets.** EIP's project pipeline relies on activity in Malaysia's data centre (DC), construction and property development markets. Slower DC investments, weaker construction demand, reduced government spending, tighter financing conditions or property market softening could result in fewer project awards and lower revenue visibility, affecting overall financial performance.

3. **Overseas market entry and regulatory risk.** Expansion into markets such as Thailand involves navigating unfamiliar regulations, labour rules and licensing requirements. Changes in foreign laws or misalignment with local practices could increase compliance costs, delay mobilisation or constrain operations, posing execution and commercial risks for new overseas ventures.

Financial Overview

Financial Review

EIP's revenue grew at a 25.1% CAGR over FY22–FY25, driven by its strategic pivot toward mission-critical power solutions, increasing exposure to Malaysia's accelerating data centre (DC) build-out. The mission critical power solutions segment recorded a strong 99.5% CAGR over the same period, underpinned by a steady pipeline of DC project wins. In FY24, revenue grew 53.4% YoY, supported by additional mission-critical power solutions contracts, with segmental revenue rising 73.8%.

On the earnings front, EIP posted an 88.1% CAGR over FY22–FY25, driven by a substantial GP margin expansion from 16.4% in FY22 to 40.1% in FY25, reflecting a favourable project mix shift toward higher margin mission critical power solutions amid Malaysia's DC rollouts. FY25 earnings rose 113.6% YoY, as the mission-critical power solutions segment contribution increased to 86.3% of total revenue (FY24: 76.2%).

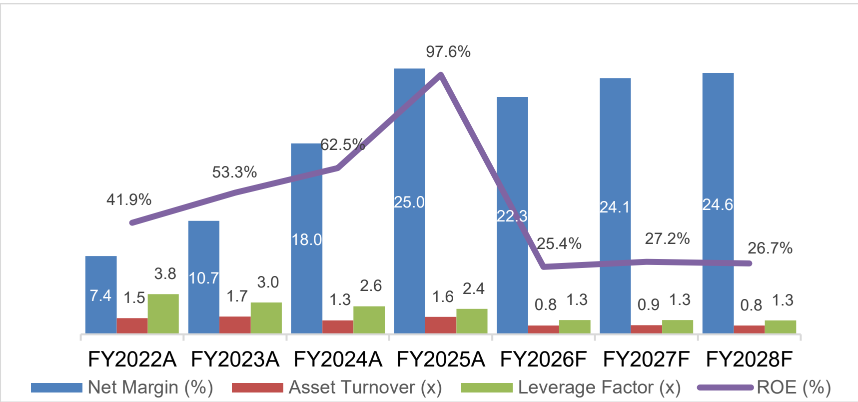
Financial Forecast

We are projecting EIP's core earnings of RM29.6mn in FY26F and RM38.3mn in FY27F, driven by (i) strong Malaysia MCPS revenue growth, (ii) higher-value project mix and margin uplift, and (iii) rising contribution from Thailand tenders.

FYE 31 Dec	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue (RM'mn)	50.4	77.4	120.7	159.1	201.2
EBITDA (RM'mn)	11.2	25.8	36.9	51.9	66.0
Pretax profit (RM'mn)	12.0	25.6	35.4	50.4	65.0
Net profit (RM'mn)	9.1	19.3	26.9	38.3	49.4
EPS (sen)	1.3	2.8	3.8	5.5	7.1
PER (x)	37.1	17.4	12.5	8.8	6.8
Core net profit (RM'mn)	9.1	19.3	29.6	38.3	49.4
Core EPS (sen)	1.3	2.8	4.2	5.5	7.1
Core EPS growth (%)	101.8	113.6	52.9	29.5	29.0
Core PER (x)	37.1	17.4	11.4	8.8	6.8
Net DPS (sen)	0.4	2.0	0.4	0.5	0.7
Dividend Yield (%)	0.9	4.2	0.8	1.1	1.5
ROE (%)	62.5	97.6	25.4	27.2	26.7
P/BV (x)	23.2	16.9	3.2	2.4	1.8

EPS and DPS are divided by the enlarged issued shares of 700,000,000 upon listing

Dupont Analysis



We project healthy ROE from FY26F to FY28F, as the company continues to generate good profits. The dip in FY26F is mainly attributed to an increase in shareholders' equity following the IPO exercise.

Key Assumptions

Factors	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Additional DC Capacity (MW)	300	425	975	1000	1000
Addressable Market (RM'mn)	587.4	1,013.9	2,054.7	2,170.6	2,235.7
EIP's Market Share (%)	6.5%	6.6%	5.4%	5.7%	6.0%

Sensitivity Analysis

Case 1: Changes in Additional DC Capacity against EIP's Market Share to derive core earnings

Additional DC Capacity in FY27F: 1,000 MW
EIP's Market Share in FY27F: 5.7%

Additional DC Capacity (MW) / EIP's Market Share (%)	800	900	1,000	1,100	1,200	1,300
2.7%	18.2	19.8	21.3	22.8	24.4	25.9
3.7%	22.8	24.9	27.0	29.1	31.2	33.3
4.7%	27.3	30.0	32.6	35.3	38.0	40.6
5.7%	31.8	35.1	38.3	41.5	44.8	48.0
6.7%	36.4	40.2	44.0	47.8	51.6	55.4
7.7%	40.9	45.3	49.7	54.0	58.4	62.8

Case 2: Changes in core net profit against PE to derive target price

Core Net Profit in FY27F: RM38.3mn

Core Net profit (RM'mn) / PE (x)	34.3	36.3	38.3	40.3	42.3	44.3
9.8	0.48	0.51	0.54	0.56	0.59	0.62
10.8	0.53	0.56	0.59	0.62	0.65	0.68
11.8	0.58	0.61	0.65	0.68	0.71	0.75
12.8	0.63	0.66	0.70	0.74	0.77	0.81
13.8	0.68	0.72	0.76	0.79	0.83	0.87
14.8	0.73	0.77	0.81	0.85	0.89	0.94

Financial Exhibits

Income Statement

FYE 31 Dec (RM'mn)	FY2022A	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue	39.5	42.1	50.4	77.4	120.7	159.1	201.2
Operating expenses	(35.6)	(36.4)	(39.2)	(51.6)	(83.8)	(107.1)	(135.2)
EBITDA	**3.9**	**5.7**	**11.2**	**25.8**	**36.9**	**51.9**	**66.0**
Depreciation & amortisation	(0.3)	(0.3)	(0.4)	(0.4)	(0.8)	(0.9)	(1.0)
EBIT	**3.6**	**5.3**	**10.9**	**25.4**	**36.0**	**51.0**	**65.0**
Net int income/(expense)	0.0	0.6	0.8	(0.0)	0.0	0.0	0.0
Exceptional gains / (losses)	0.0	0.0	0.0	0.0	(2.7)	0.0	0.0
Associates' contribution	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pretax profit	**3.9**	**6.1**	**12.0**	**25.6**	**35.4**	**50.4**	**65.0**
Tax	(1.0)	(1.6)	(3.0)	(6.3)	(8.5)	(12.1)	(15.6)
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	**2.9**	**4.5**	**9.1**	**19.3**	**26.9**	**38.3**	**49.4**
Core net profit	**2.9**	**4.5**	**9.1**	**19.3**	**29.6**	**38.3**	**49.4**

Balance Sheet Statement

FYE 31 Dec (RM'mn)	FY2022A	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Fixed assets	0.7	0.6	0.5	0.9	1.1	1.2	1.2
Other long term assets	0.5	0.5	0.0	0.0	0.0	0.0	0.0
Total non-current assets	**1.2**	**1.1**	**0.5**	**0.9**	**1.1**	**1.2**	**1.2**
Cash and equivalents	0.8	8.2	3.4	6.2	85.1	119.3	156.8
Inventories	0.7	0.0	0.0	0.0	0.1	0.1	0.1
Receivables	23.5	14.9	33.5	21.5	35.4	42.2	57.4
Other current assets	0.0	0.9	1.0	18.7	21.6	23.9	26.5
Total current assets	**25.0**	**24.1**	**37.8**	**46.4**	**142.2**	**185.6**	**240.7**
Payables	9.8	10.4	11.8	16.1	25.6	34.2	44.5
Short term borrowings	8.6	5.4	10.5	7.3	7.3	7.3	7.3
Other current liabilities	0.3	0.6	1.1	3.8	3.9	4.3	4.8
Total current liabilities	**18.8**	**16.4**	**23.5**	**27.2**	**36.8**	**45.8**	**56.5**
Long term borrowings	0.4	0.3	0.3	0.2	0.2	0.2	0.2
Other long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total long term liabilities	**0.5**	**0.4**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**
Shareholders' Funds	**6.9**	**8.4**	**14.5**	**19.8**	**106.2**	**140.7**	**185.2**
Minority Interest	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Cash Flow Statement

FYE 31 Dec (RM'mn)	FY2022A	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Pretax Profit	3.9	6.1	12.0	25.6	35.4	50.4	65.0
Depreciation & amortisation	0.3	0.3	0.4	0.4	0.8	0.9	1.0
Working capital changes	(1.0)	9.0	(7.4)	(2.0)	(7.4)	(0.1)	(7.0)
Cash tax paid	(0.6)	(1.4)	(2.4)	(4.7)	(8.5)	(12.1)	(15.6)
Others	(0.1)	(0.6)	(0.8)	(0.3)	0.0	0.0	0.0
C/F from operation	**2.5**	**13.5**	**1.8**	**19.1**	**20.4**	**39.1**	**43.4**
Capex	(0.1)	(0.0)	(0.1)	(0.3)	(1.0)	(1.0)	(1.0)
Others	0.1	(0.1)	(7.3)	2.2	0.0	0.0	0.0
C/F from investing	**0.0**	**(0.1)**	**(7.3)**	**1.9**	**(1.0)**	**(1.0)**	**(1.0)**
Debt raised/(repaid)	0.1	(3.6)	5.0	(3.9)	0.0	0.0	0.0
Dividends paid	(2.0)	(3.0)	(3.0)	(14.0)	(2.7)	(3.8)	(4.9)
Others	(0.3)	0.7	(1.3)	(0.3)	62.2	0.0	0.0
C/F from financing	**(2.2)**	**(5.9)**	**0.7**	**(18.2)**	**59.5**	**(3.8)**	**(4.9)**
Net change in cash flow	**0.3**	**7.5**	**(4.9)**	**2.8**	**78.9**	**34.3**	**37.4**
Free Cash Flow	**2.4**	**13.5**	**1.7**	**18.8**	**19.4**	**38.1**	**42.4**

DISCLOSURE AND DISCLAIMER

Tradeview Research Investment Rating System

Equity:
BUY: Total stock return expected to exceed +15% over 12-month period
HOLD: Total stock return to be between -15% and +15% over a 12-month period
SELL: Total stock return expected to below -15% over a 12-month period
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