

# Sum Technology Berhad (0459)

## Positioned for the Next Phase of Industrial Capex

Bloomberg Ticker: SUM MK | Investment Horizon: 12 Months

### Recommendation

We recommend a **Subscribe** rating for Sum Technology Berhad (SumT), with a **target price of RM0.390, representing a 39% upside**. SumT is a turnkey engineering solutions provider specialising in cleanrooms and Mechanical, Electrical, Process utilities and Firefighting (MEPF) utilities. We favour SumT for its (i) Exposure to semiconductor, DC and EV-related projects, (ii) Philippines Expansion, and (iii) Expanding manufacturing and D&D capability.

### Investment Highlights

**Malaysia DC, Semiconductor and Ongoing EV CAPEX Exposure.** Rising AI demand, China+1 supply-chain diversification and ongoing Chinese EV-related investments in Malaysia are directly benefiting SumT, whose positioning is supported by: (i) a ~RM380mn tender book mainly semiconductor-related, (ii) growing DC and EV exposure, including a secured Phase 4 DC project and visibility for subsequent EV-related project phases subcontracted via Honghui, (iii) IPO-funded working capital and performance bond support, enhancing bidding capacity and underpinning up to ~RM224mn of additional project opportunities. Accordingly, we forecast FY25–FY28F turnkey solutions segmental revenue CAGR of ~36.6%, with GP margin re-accelerating to 21–23% over FY27F–FY28F, supported by: (i) a higher mix of DC and semiconductor-related projects, (ii) firmer pricing amid DC-driven engineering tightness, and (iii) increasing contribution from higher-margin Philippines projects.

**Philippines Expansion Unlocks Second Growth Pillar.** We view the Philippines as SumT's second growth driver, supported by semiconductor localisation and accelerating DC investments. SumT secured its first Philippines DC MEPF project in FY24 worth RM3.7mn and generated RM13.4mn revenue in FY25 (20.5% of total revenue), mainly from MVAC product trading, with GP margin of ~30% versus ~20% in Malaysia. SumT plans to establish a local office by 2QFY27F and expand local manpower to deepen penetration. We expect the Philippines to contribute 21–24% of group revenue over FY26F–FY28F, supported by growing MVAC demand, additional turnkey project wins and deeper customer penetration, driving FY25–FY28F Philippine revenue CAGR of ~44% and overall margin expansion.

**No Offer-for-Sale Allocation.** SumT's IPO does not include any offer-for-sale allocation, which we view positively as it signals management's confidence in the company's long-term growth prospects. Accordingly, despite SumT's smaller market capitalization and slightly thinner margin profile, we do not apply a discounted valuation multiple and value the company at FY27F PE of 13x, broadly in line with the simple average forward PE of its domestic Mechanical, Electrical, and Plumbing (MEP) peers.

FYE 31 Dec (RM'mn)	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue (RM'mn)	51.4	65.7	83.1	123.0	166.1
EBITDA (RM'mn)	7.8	8.8	11.5	18.7	25.0
Pretax profit (RM'mn)	7.2	8.1	10.5	17.7	23.9
Net profit (RM'mn)	5.4	6.1	8.0	13.4	18.2
EPS (sen)	1.2	1.3	1.8	3.0	4.0
PER (x)	23.4	20.8	15.7	9.4	6.9
Core net profit (RM'mn)	5.8	7.0	9.0	13.4	18.2
Core EPS (sen)	1.3	1.6	2.0	3.0	4.0
Core EPS growth (%)	13.2	20.6	27.7	49.8	35.3
Core PER (x)	21.7	18.0	14.1	9.4	6.9
Net DPS (sen)	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	24.2	21.4	11.6	16.3	18.0
P/BV (x)	5.7	4.5	1.8	1.5	1.3

## Subscribe

**Target Price: RM0.390 (+39%)**
**Current Share Price: RM0.280**
**Ace Market  
 Industrial Products & Services**
**Tan Jia Hui**

Research Analyst

[jiahui@tradeviewcapital.my](mailto:jiahui@tradeviewcapital.my)

### Valuation

**Our target price is based on:**

FY27F PE of 13x, broadly in line with the simple average forward PE of 13.5x for its domestic Mechanical, Electrical and Plumbing peers.

### Listing Timeline

Subscription Start Date	20 May 2026
Subscription Deadline	4 June 2026
Ballot Result	8 June 2026
Listing date	18 June 2026

### Listing Details

Shariah Compliant	Yes
New Shares (mn)	117.0
Fund Raised (RM'mn)	32.8
Offer for Sale (mn)	0.0
Offer for Sale (RM'mn)	0.0
Market Capitalization (RM'mn)	126.0

Offering	Total (mn)	Total (%)
Malaysia Public (Bumi)	11.25	2.5
Malaysia Public (Non- Bumi)	11.25	2.5
Pink Form	4.50	1.0
Selected Investors	33.75	7.5
MITI	56.25	12.5
<b>Total</b>	<b>117.0</b>	<b>26.0</b>

## Investment Thesis

### Riding Malaysia's DC and Semiconductor Boom

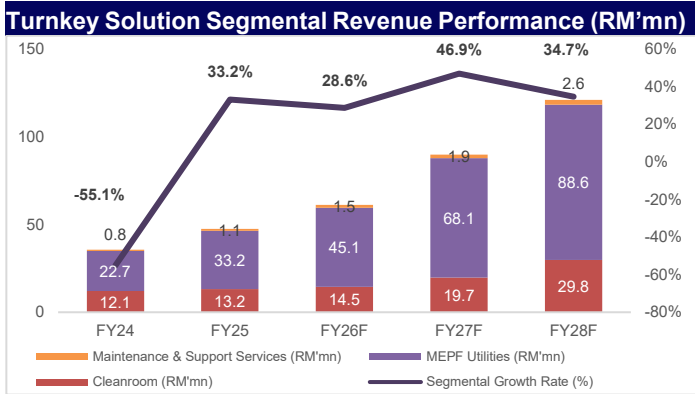
**Expanding Addressable Market for Cleanroom and MEPF Solutions.** Malaysia is emerging as a key ASEAN data centres (DC) and semiconductor OSAT hubs, driven by accelerating hyperscaler AI demand, cloud adoption, and supply-chain localisation. According to MIDA, Malaysia recorded RM152.9bn of approved investments in the information and communications subsector in 2025, largely attributable to AI, cloud computing, and DC-related investments. Cumulative approved DC and cloud computing investments reached RM144.4bn between 2021 and mid-2025 across 143 approved projects. Separately, while E&E approvals moderated to RM28.5bn in 2025 (RM55.8bn in 2024), we attribute this primarily to a high base effect following several exceptionally large semiconductor approvals. We believe Malaysia's structural advantages, including (i) land availability, (ii) lower power costs, (iii) an established engineering talent pool, (iv) strong cross-border connectivity, and (v) over five decades of semiconductor ecosystem development, position the country favourably within ASEAN as MNCs seek supply-chain resilience amid escalating China-US geopolitical tensions, reinforcing Malaysia's role as a beneficiary of China+1 semiconductor localisation and global supply-chain diversification.

For SumT, these trends enlarge the addressable market for its turnkey MEPF solutions across both DC and semiconductor-related projects. JLL estimates Malaysia's operational DC capacity will more than double from ~1,025MW by end-2025 to ~2,100MW by end-2026, with a further development pipeline exceeding 3,500–4,000MW beyond 2027, reinforcing our forecast for Malaysia to add ~1,000MW annually over the mid-term. SumT secured its first DC MEPF project in FY24 worth RM3.7mn and currently has a secured RM24.8mn Phase 4 DC project from CCIE Engineering (M) Sdn Bhd, supported by its relationship with Honghui Engineering Sdn Bhd according to management. While semiconductor projects remain the key revenue contributor, we expect DC-related projects to become an increasingly important growth driver given their typically higher margins and shorter project timelines.

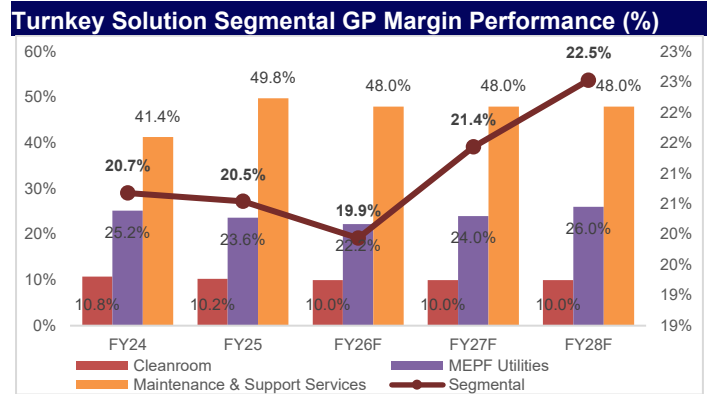
**36.6% Turnkey Solution Revenue CAGR.** We forecast SumT to deliver FY25–FY28F turnkey solutions segmental revenue CAGR of 36.6%, supported by a tender pipeline largely concentrated in semiconductor-related projects in Malaysia. SumT's current tender book stands at ~RM380mn, with a historical tender win rate of ~18%. Assuming a similar conversion rate, we are optimistic that the booming AI-driven broad-based capex upcycle will enable SumT to achieve the required additional tender replenishment of RM140.2mn, RM486.2mn, and RM620.8mn over FY26F–FY28F to meet our revenue forecasts. Our projections assume that approximately 65% of secured order book value is recognised within one year and incorporate SumT's current execution capacity of handling 3–4 large-scale projects above RM10mn concurrently, alongside 100–200 smaller projects annually.

**IPO Proceeds Unlock Execution and Growth Capacity.** As of April 2026, SumT's total workforce stood at 99 personnel, more than doubling from ~40 personnel in FY22. We view IPO proceeds as critical to ease execution bottlenecks, given engineering projects are working-capital intensive and require upfront funding for labour, materials and performance bonds. This was evident in FY25, when stronger project activity led to higher working capital needs and negative operating cash flow. SumT plans to utilise RM2.6mn of IPO proceeds to hire 16 additional personnel across tendering, production and sales functions in Malaysia, alongside RM17.9mn for working capital, including RM11.2mn for performance bond support. Given performance bonds typically account for ~5% of project value and may be tied up for up to 18 months, we estimate this could support up to ~RM224mn of additional project opportunities while strengthening execution capacity.

**Engineers' Shortage-led Margin Expansion.** Semiconductor projects now appear to command better margins than historically as rapid DC construction has tightened engineering supply and enabled M&E players to secure firmer pricing. Consequently, we expect margins to re-accelerate from FY27F onwards as SumT executes a larger mix of DC and semiconductor-related projects, alongside a growing contribution from higher-margin projects in the Philippines. Accordingly, segmental GP margin is expected to rebound to 21-23% over FY27F–FY28F from 20% forecasted in FY26F.



Source: Company Prospectus, Tradeview Research



Source: Company Prospectus, Tradeview Research

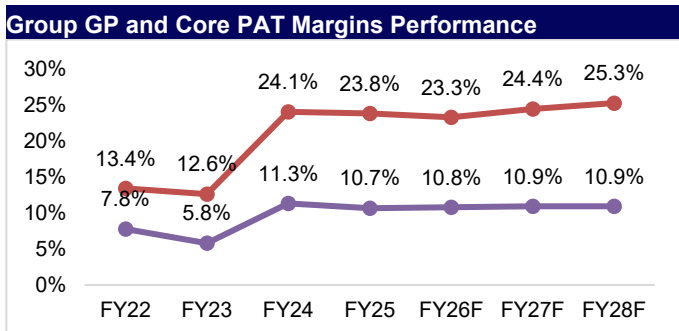
## Near-Term EV Opportunities Intact, but Capex Outlook Turns Cautious

**EV Localisation Still Driving Near-Term Automotive Investments.** Malaysia's automotive sector continues to attract EV and automotive-related investments. MIDA reported that the transport equipment sector secured RM14.9bn of approved investments in 2025, supported by major EV and automotive projects including Chery's Smart Auto Industrial Park in Hulu Selangor which alone involves approximately RM2.2bn of investment, reinforcing Malaysia's positioning as an ASEAN EV manufacturing and CKD hub.

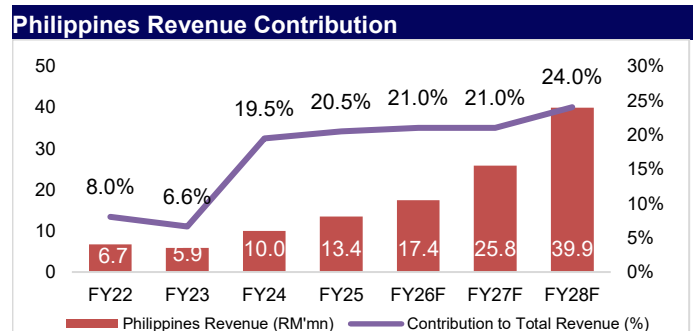
**Recent Policy Changes Create Uncertainty.** Imported completely built-up (CBU) EVs will face stricter requirements from July 2026, including a minimum RM200.0k Cost, Insurance, and Freight (CIF) value and minimum 180kW power output. Locally assembled completely knocked-down (CKD) projects are also subject to tighter approval conditions, including domestic sales limits, pricing requirements and export-oriented commitments. As such, we remain constructive on SumT's near-term EV-related orders from ongoing and committed projects, but caution that longer-term EV manufacturing capex replenishment could face delays or downsizing if OEMs reassess Malaysia's attractiveness as a CKD/export hub.

**EV Project Pipeline Supported by Honghui Relationship.** SumT's order book as of April 2026 stood at only RM35.9mn, as its projects typically have short lead times and quick replenishment. ~35% of the order book is EV-related, including projects linked to leading Chinese EV battery manufacturers and Chery's CKD plant. Chery's project appears less exposed to cancellation risk given its mixed production across ICE, hybrid and EV models, but similar visibility may not extend to EV-only OEMs. Notably, most of these projects are subcontracted from Honghui (its largest customer in FY25), which we believe could position SumT for potential follow-on opportunities as customers progressively expand their facilities.

**FY26F Margins to Remain Flattish.** Given that a substantial portion of SumT's order book is China-related, we expect turnkey solutions segmental GP margin to drop 60 bps in FY26F from 20.5% in FY25, reflecting the typically lower margins associated with such projects. Consequently, we forecast group GP and core PAT margins to remain flattish in FY26F, offset by a higher contribution from the higher-margin manufacturing and trading segment.



Source: Company Prospectus, Tradeview Research



Source: Company Prospectus, Tradeview Research

## Philippines Unlocks the Next Growth Phase

**Rising Semiconductor and DC Investments.** We view the Philippines as an increasingly attractive long-term growth market for SumT, supported by rising semiconductor localisation activities and accelerating DC infrastructure investments. Philippine Economic Zone Authority (PEZA) approved investments reached PhP260.89bn (~RM17.0bn) in 2025, while electronics products account for ~60% of the country's total exports. The Philippines' semiconductor ecosystem continues to benefit from MNCs' expansions, including Samsung Electro-Mechanics' PhP50.7bn (~RM3bn) MLCC manufacturing expansion in Laguna. Meanwhile, the country's DC sector is supported by rising hyperscaler and telecom investments, including Alibaba Cloud's second DC facility in the Philippines and Equinix's acquisition of three Philippine DC assets.

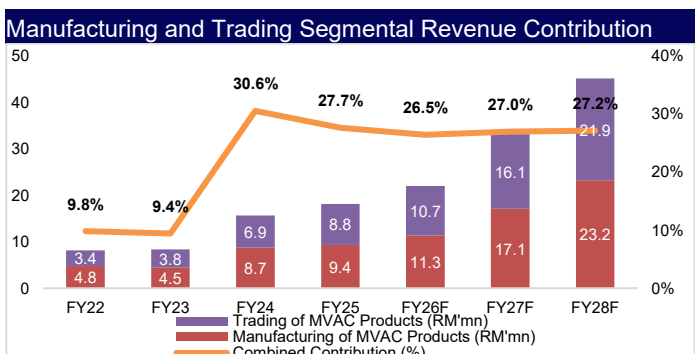
**Deepening Penetration to Capture Growth.** In FY25, the Philippines contributed RM13.4mn (20.5% of total revenue) with a higher GP margin of ~30% versus ~20% in Malaysia. SumT plans to establish a local office in the Philippines by 2Q FY27F to support sales and marketing efforts. At present, the Philippines operation is mostly focused on MVAC product trading, which contributed 65.6% of Philippines revenue. SumT also plans to hire up to 23 staff there, mainly front-end personnel, to secure more turnkey solutions projects in the market. Over FY25–FY28F, we expect Philippines revenue to grow at a CAGR of 43.7%, contributing 21-24% of total revenue, driven mainly by growing MVAC demand and complemented by securing additional turnkey projects.

## Strengthening D&D Capability to Enhance Competitiveness

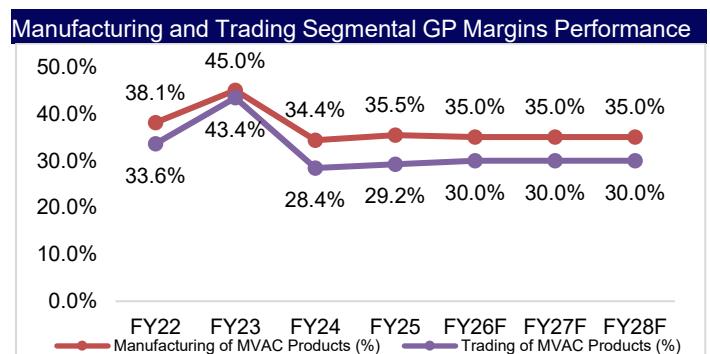
**Proven AHU Product Development Expertise.** SumT's manufacturing segment focuses on the in-house design and manufacturing of customised MVAC products, primarily Air Handling Units (AHU) and Fan Coil Units (FCU). The manufactured products are supplied either as part of bundled turnkey projects or through supply-only manufacturing based on customer-provided engineering specifications. A key achievement is that SumT entered a 10-year business development agreement with Nicomac Taikisha Clean Rooms Private Limited to provide AHU product development technical support in exchange for a 3.5% royalty on its annual sales in India (minimum annual royalty of USD30,000) from April 2026 onwards.

**Formalising and Expanding D&D Department.** Using part of the IPO proceeds, SumT plans to hire four D&D-specific staff, subscribe to related software, and purchase tools. This should formalise and strengthen its D&D function as a dedicated operational capability, improving innovation capacity and keeping pace with technological advancements. We view this positively, as the manufacturing and trading segment collectively contributed 27.7% of revenue in FY25 while delivering higher GP margins of 29-35%. More importantly, the manufacturing capability enhances SumT's ability to provide customised integrated solutions, which should improve its tender competitiveness and overall project win rates moving forward.

**Facility Expansion to Ease Capacity Constraints.** SumT will relocate its MVAC manufacturing factory to Jenjarom, which will increase built-up size by 84.3% by 3Q FY26F. This should allow SumT to handle more orders, as MVAC products are huge and the company has previously faced space constraints for both assembly and storage. Following the relocation, we expect the manufacturing and trading segment combined to contribute RM33.2mn in FY27F, representing 82.7% growth from RM18.2mn in FY25, while simultaneously supporting its ability to secure additional turnkey projects over the longer term.



Source: Company Prospectus, Tradeview Research



Source: Company Prospectus, Tradeview Research

## Company Overview

Sum Technology Berhad (SumT) traces its operating history back to 2013, when Sum System was incorporated in Malaysia to trade air conditioning equipment for semiconductor applications, particularly MEPF utilities and controlled environments. In 2014, Sum Technic and Micronaire Global were set up to expand the Group's cleanroom-related offering, with Sum Technic only commencing operations in 2017 as a turnkey provider covering design, procurement, construction, testing and commissioning. The Group subsequently strengthened its platform through strategic corporate exercises and expansion initiatives, including the development of in-house manufacturing capability and broader project execution capacity across its subsidiaries.

From there, SumT scaled up its credentials and project wins. Sum Technic secured its first notable cleanroom and MVAC projects in 2018, obtained ISO 9001:2015 certification in 2019, and upgraded to CIDB G7 in 2020. Micronaire Global also began manufacturing MAC-branded AHUs and fan filter units in 2018 and secured AHRI certification in 2024, further supporting the Group's turnkey proposition.

Today, SumT positions itself as a turnkey solutions provider focused on (i) design and build solutions for cleanrooms, controlled environments and MEPF utilities, (ii) manufacturing of MVAC products, and (iii) trading of MVAC products and solar PV panels. Its core capabilities span consultancy, design, procurement, construction, project management, installation, testing and commissioning, with MEPF scope covering MVAC, facility management, fire protection and process hook-ups. The Group serves mainly semiconductor and E&E customers, with end users also spanning data centres, automotive and EV battery, consumer products, pharmaceutical, biotechnology, maritime and medical industries, and operates primarily in Malaysia and the Philippines.



### Geographical Markets Penetration

#### Geographical Markets

Principal Markets:

-  Malaysia
-  Philippines

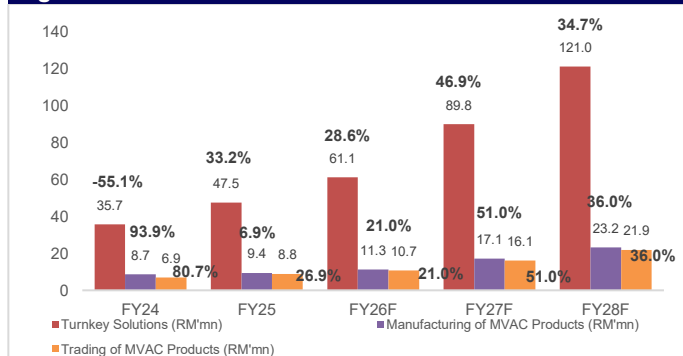
Others:

-  Singapore
-  India
-  Taiwan
-  Indonesia
-  Bangladesh
-  Australia



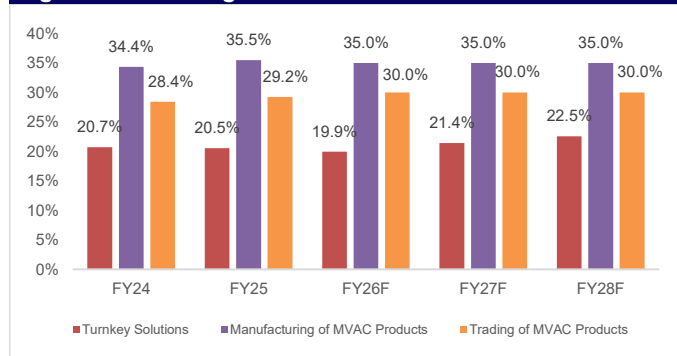
Source: Company presentation slide

### Segmental Revenue and Growth Rate



Source: Company Prospectus, Tradeview Research

### Segmental GP Margin






Source: Company Prospectus, Tradeview Research

## Utilisation of the RM32.8mn from the IPO Proceeds

Purposes	RM'mn	%	Estimated timeframe for utilisation from the listing date
Business expansion	5.58	17.03	24 months
Establishment of office in the Philippines	2.86	8.74	24 months
Design and development activities	2.50	7.63	24 months
Working capital	17.92	54.70	36 months
Estimated listing expenses	3.90	11.90	1 month

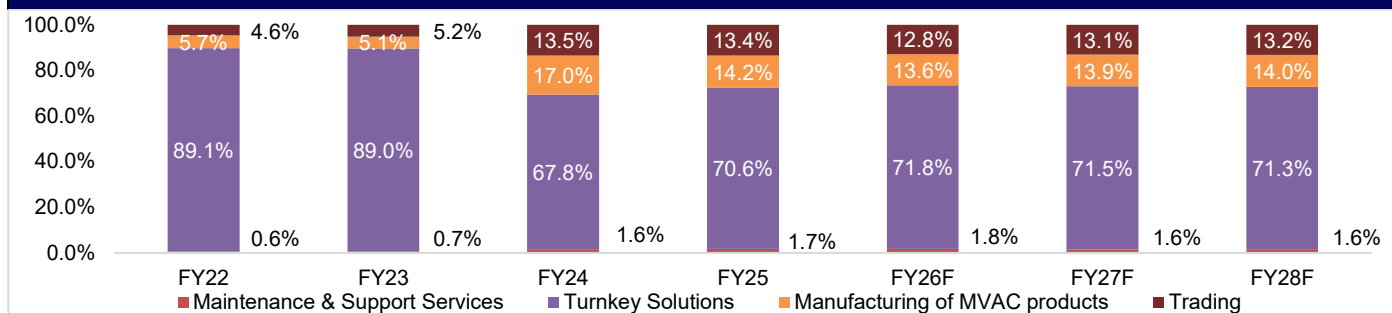
Source: Company Prospectus

## Business Segments

Segments	Description	Visualization / Services
Turnkey Cleanroom & MEPF Solutions	<ul style="list-style-type: none"> <li>Provide turnkey design-and-build solutions for controlled environments and mission-critical MEPF utilities serving semiconductor, consumer products and data centre sectors</li> <li>Capabilities include conceptual to detailed cleanroom and MEPF design, procurement and subcontractor coordination, installation and construction management, ISO Class 2 to Class 9 cleanroom delivery, testing and commissioning, airflow and particle validation, system certification and overall project management as main contractor or subcontractor</li> </ul>	 <p>STMicroelectronics Cleanroom Schematic Diagram</p>
MVAC Manufacturing Solutions	<ul style="list-style-type: none"> <li>Manufacture customised industrial MVAC products under the MAC brand, mainly AHUs and FCUs, for cleanrooms, semiconductor facilities, laboratories, marine environments and commercial buildings</li> <li>Capabilities include in-house engineering and customised system design, manufacturing of chilled water, DX, VRF and heat recovery AHUs and FCUs, integration of filtration and airflow control systems, development of customised control systems and BMS integration, with delivery through standalone product supply or full turnkey integration projects</li> </ul>	 <p>MAC MC6 Modular AHU</p>
Maintenance & Support Services	<ul style="list-style-type: none"> <li>Provide post-completion maintenance and support services for cleanrooms, MEPF utilities and MVAC systems through DLP coverage and recurring service agreements</li> </ul>	N/A
Trading of MVAC Products	<ul style="list-style-type: none"> <li>Engage in trading of MVAC products, mainly serving semiconductor, pharmaceutical and biotechnology customers in the Philippines</li> </ul>	 <p>Custom &amp; Acoustic AHU</p>

Source: Company Prospectus, Company presentation slide, Tradeview Research

## Composition of Revenue by Key Business Segment

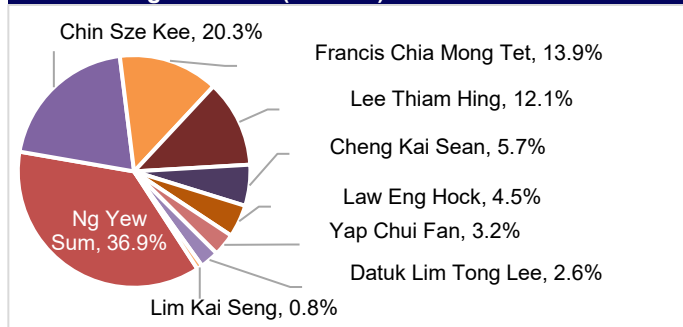


Source: Company Prospectus, Tradeview Research

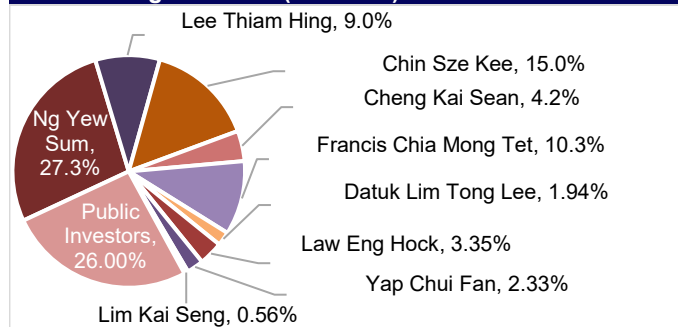
## Management Team

Name and Designation	Profile
<b>Lee Thiam Hing</b> Promoter Executive Director CEO	Lee Thiam Hing holds a Diploma in Electrical Engineering from Pertama Institute of Technology (1991). He began his career at Hiti Engineering (M) Sdn Bhd in 1991 as Project Engineer and rose to Project Manager by 1997, overseeing project execution, tender management, cost control and engineering coordination. After leaving in 2005, he founded Lexus Vision Sdn Bhd in 2008, involved in aluminium door and window systems trading, before the business became inactive in 2014. He joined Sum System in 2015 as Project Director. In 2017, he acquired a 20.0% stake in Sum Technic and established its operations, followed by a 5.0% stake in Micronaire Global in 2018, where he co-established the business together with Cheng Kai Sean. He currently leads the Group's strategic direction, growth initiatives and overall operations.
<b>Dato' Sri Mohammad Nadjion Bin Nasir</b> Independent Non-Executive Chairman	Dato' Sri Mohammad Nadjion Bin Nasir graduated with a Bachelor of Accounting (Hons) from Universiti Utara Malaysia in 1996. He began his career at UDA Dayaurus Sdn Bhd as Head of Training and Auditing Unit before venturing into business in 2001 through Inframax Communication Sdn Bhd, an IT solutions provider to the government sector. In 2007, he founded Asia Controline Sdn Bhd, involved in petroleum product trading, where he continues to serve as director. He later invested in Technology Innovation Resources Sdn Bhd in 2019, providing advisory support on business development. In 2021, he joined Formis Network Solutions Sdn Bhd, a subsidiary of Omesti Berhad, advising on AI-powered financial tools before resigning in February 2025. He is currently a partner and board adviser at TGCC PLT, focusing on AI-related training and certification initiatives.
<b>Cheng Kai Sean</b> Promoter Executive Director COO	Cheng Kai Sean holds a Bachelor of Engineering (Mechanical Engineering) with Honours from Universiti Kebangsaan Malaysia (2011) and an MBA from Cardiff Metropolitan University (2017). He began his career with Welcome Air-Tech Malaysia Sdn Bhd as Systems & Applications Engineer, handling overseas sales, distributorship management and market expansion initiatives. In 2017, he was promoted to Systems & Applications Assistant Manager at Welcome Air-Tech Sales & Services Sdn Bhd, managing local business development and leading sales and application engineering teams. He joined Micronaire Global in March 2018 as General Manager and was appointed director in July 2018 after acquiring a 20.0% stake. Together with Lee Thiam Hing, he established Micronaire Global's operations and led the development of proprietary AHU designs. He currently oversees the Group's daily operations and implementation of strategic growth initiatives.
<b>Dr. Lim Bok See</b> CFO	Dr. Lim Bok See joined the Group as CFO in September 2024. He holds an LCCI certificate in accounting and is a Fellow of ACCA, Associate of AIA and Chartered Accountant with MIA. He began his career at HH Tan & Co in 1980 before taking finance and accounting roles across Koperasi Serbaguna Malaysia Berhad, Swee Chong Long Sdn Bhd and Pacific Cosmetics (M) Sdn Bhd. In 1990, he joined Telekom Malaysia Berhad, where he served in the Corporate Finance Division and was promoted to Unit Head of Budget Department in 2000, overseeing annual budgeting, performance monitoring and financial reviews. He left in 2005 to operate Pro-One Management Services, a management consultancy business, before serving as CFO of LNB Wood Base Sdn Bhd from 2020 to 2024. He currently oversees the Group's financial planning, reporting, cash flow management and risk management functions.

### Shareholding Structure (Pre-IPO)

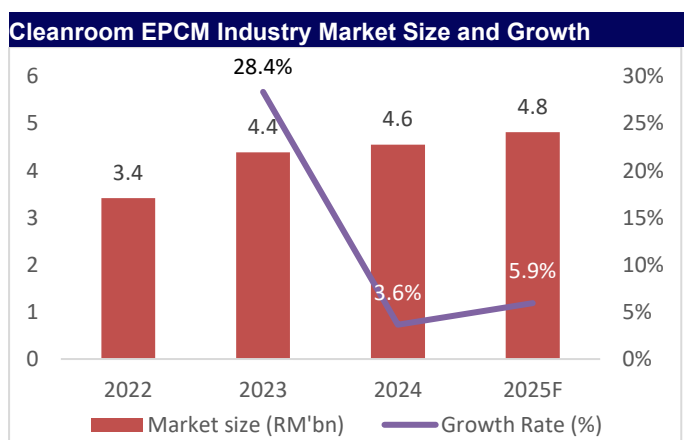


### Shareholding Structure (Post-IPO)

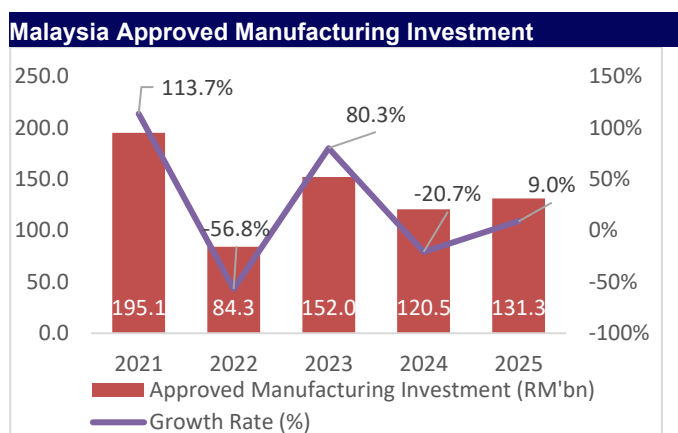


## Industry Outlook

**Growing Industrial Sector in Malaysia.** Malaysia's industrial sector continues to expand, supported by rising foreign direct investments (FDI), government industrialisation initiatives, and increasing demand for high-tech manufacturing facilities. According to the DOSM, the manufacturing sector contributed 23.2% to Malaysia's GDP in 2024 and grew by 4.2%, supported by resilient domestic demand and a recovery in exports. Meanwhile, MIDA approved RM120.5 bn of manufacturing investments across 1,108 projects, highlighting continued investor confidence in Malaysia's industrial ecosystem. The electronic component projects recorded approved investments of RM55.8 bn, of which approximately 86.2% were related to semiconductor activities. These investments are expected to drive demand for cleanroom and HVAC solutions, as high-tech manufacturing facilities require contamination-controlled environments and precise temperature regulation. Malaysia's cleanroom EPCM industry was valued at RM4.55 bn in 2024 and is projected to grow at a CAGR of 10.2% to RM7.39 bn by 2029 according to Protege.



Source: Company Prospectus IMR Report (PROTEGE)



Source: MIDA

**Data Centre Build-out Remains Strong.** 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. The data centre industry in Malaysia is expected to be driven by the rapid expansion of e-commerce, heightened demand for cloud computing, and increasing adoption of artificial intelligence and IoT technologies. This has led to increased demand for cleanroom EPCM services to comply with ISO 14644 Class 8 standards.

**Emerging Data Centre Growth Opportunities in the Philippines.** The Philippines currently hosts more than 190MW of operational data centre capacity, with major operators and investors including ST Telemedia Global Data Centres, ePLDT VITRO, Digital Edge, Globe Telecom, and SpaceDC. In July 2025, Alibaba Cloud announced it would open its second data centre region in the Philippines, enhancing the cloud capacity for faster, more secure digital services. In total, 11 upcoming data centres in the Philippines are expected to add over 750 MW by 2028. The Philippine government has also been supportive of digital infrastructure development through initiatives aimed at accelerating digital transformation, improving telecommunications infrastructure, and attracting foreign direct investments into technology-related sectors. Increasing enterprise cloud adoption, cybersecurity requirements, AI deployment, and data localisation needs are expected to continue driving long-term demand for localised data centre infrastructure. As more hyperscale and colocation facilities are constructed across Southeast Asia, demand for mission-critical engineering solutions, HVAC systems, cooling technologies, and cleanroom infrastructure is expected to strengthen further.

## Valuation

We recommend a **Subscribe** rating and a **target price of RM0.39**, based on FY27F PE of 13x, broadly in line with the simple average forward PE of 13.5x for its domestic Mechanical, Electrical and Plumbing peers. Notably, SumT does not have any offer-for-sale allocation. We view this positively, as it reflects management's confidence in the company's long-term growth prospects. Therefore, we did not apply a discounted multiple despite SumT's smaller market capitalization and slightly thinner margin profile.

We like SumT for its exposure to Malaysia's industrial capex upcycle, underpinned by DC, semiconductor and EV-related project opportunities. Key growth drivers include: (i) Malaysia's accelerating DC, semiconductor and EV-related capex cycle, (ii) expanding capacity via IPO-funded workforce growth, manufacturing relocation and performance bond support, as well as (iii) Philippines expansion providing higher-margin project opportunities.

### Peer Comparison

Name	Last Price	Market Cap (RM'mn)	FYE	Earnings Growth		P/E (x)			Div. Yield	ROE
				1-yr Fwd	2-yr Fwd	Hist.	1-yr Fwd	2-yr Fwd	1-yr Fwd	Hist.
<b>Domestic Mechanical, Electrical, and Plumbing (MEP) Peers</b>										
ISF Group Bhd	0.58	580.0	12/2025	6.3	22.2	172.0	21.5	17.6	1.9	118.8
Icents Group Holdings Bhd	0.48	240.0	06/2025	N/A	N/A	3.0	N/A	N/A	N/A	60.1
Critical Holdings Bhd	0.87	323.4	06/2025	-8.2	20.3	14.4	12.6	10.5	2.0	25.4
HE Group Bhd	0.47	204.6	12/2025	39.4	11.4	19.1	13.3	11.9	1.9	16.0
Kee Ming Group Bhd	1.08	351.0	03/2026	108.5	276.8	34.4	20.4	13.8	N/A	48.6
<b>Simple Avg</b>				<b>36.5</b>	<b>82.7</b>	<b>48.6</b>	<b>16.9</b>	<b>13.5</b>	<b>1.9</b>	<b>53.8</b>
<b>DC-Related Domestic MEP Peers</b>										
CBH Engineering Holding Bhd	0.62	1,156.8	12/2025	59.5	9.8	19.0	15.0	13.7	0.7	28.3
Cheeding Holdings Bhd	0.70	554.1	03/2026	27.1	19.0	28.8	16.5	14.2	1.4	56.7
MN Holdings Bhd	2.54	1,689.4	06/2025	58.5	25.4	19.9	19.5	15.6	0.4	29.8
<b>Simple Avg</b>				<b>48.4</b>	<b>18.1</b>	<b>22.6</b>	<b>17.0</b>	<b>14.5</b>	<b>0.8</b>	<b>38.3</b>
Sum Technology Berhad	0.28	126.0	12/2025	27.7	49.8	18.0	14.1	9.4	0.0	21.4

Source: Bloomberg estimates, Tradeview Research (As of 3<sup>rd</sup> June 2026)

Name	Gross Margin (%)				EBITDA Margin (%)				Core PAT Margin (%)			
	FY24	FY25	FY26F	FY27F	FY24	FY25	FY26F	FY27F	FY24	FY25	FY26F	FY27F
ISF Group Bhd	36.9	46.0	N/A	N/A	25.1	35.8	31.3	31.5	17.6	25.7	21.9	22.1
Icents Group Holdings Bhd	19.5	24.5	N/A	N/A	14.2	15.9	N/A	N/A	8.7	9.8	N/A	N/A
Critical Holdings Bhd	18.4	15.1	15.0	15.0	11.3	11.6	11.6	11.2	7.2	8.5	8.1	8.3
HE Group Bhd	15.2	21.1	N/A	N/A	9.9	N/A	10.8	11.1	6.6	9.0	8.1	7.9
Kee Ming Group Bhd	27.3	24.4	N/A	N/A	21.9	18.6	15.4	14.2	15.5	13.1	11.1	10.5
<b>Simple Avg</b>	<b>23.5</b>	<b>26.2</b>	<b>15.0</b>	<b>15.0</b>	<b>16.5</b>	<b>20.5</b>	<b>17.3</b>	<b>17.0</b>	<b>11.1</b>	<b>13.2</b>	<b>12.3</b>	<b>12.2</b>
Sum Technology Berhad	24.1	23.8	23.3	24.4	15.2	13.4	13.8	15.2	11.3	10.7	10.8	10.9

Source: Bloomberg estimates, Tradeview Research (As of 3<sup>rd</sup> June 2026)

## SWOT Analysis

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Established relationship with Honghui supports repeat opportunities.</li> <li>Integrated MEPF and manufacturing capabilities improve tender competitiveness.</li> <li>Proven customised MVAC manufacturing and D&amp;D capability.</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>Customer concentration risk from Honghui relationship.</li> <li>Margins remain exposed to project mix fluctuations.</li> <li>Earnings visibility constrained by short order book duration.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Malaysia DC supercycle.</li> <li>China+1 semiconductor localisation.</li> <li>Philippines expansion.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>Delayed customer capex.</li> <li>Intensifying competition.</li> <li>Manpower bottleneck risk.</li> </ul>

## Investment Risk

- 1. Customer concentration and project-based earnings visibility risk.** SumT derives a substantial portion of revenue from a limited number of customers and projects, with top five customers contributing 73%–92% of total revenue in FY22–25. As a project-based engineering business with no recurring revenue model, earnings visibility depends on the timely replenishment of new contracts. Fluctuations in customer capex, tender activity, project scope and competitive pricing could result in revenue and margin volatility, affecting financial performance.
- 2. Technical workforce retention and project execution risk.** SumT's operations depend on experienced design and project engineers to manage engineering design, project execution, subcontractor coordination and cost control across technically complex projects. Inability to attract or retain qualified technical personnel at competitive cost may constrain execution capacity, delay project delivery, reduce tender competitiveness and weaken growth prospects.
- 3. Input cost inflation and project margin risk.** SumT is exposed to fluctuations in raw material, equipment, subcontractor, labour and component costs, particularly steel and electronic components used in project execution and manufacturing activities. Given the absence of cost escalation clauses in contracts, higher input costs may not be fully passed through to customers, potentially compressing margins. Cost volatility may also increase budgeting uncertainty and project cost overruns, adversely affecting profitability.

## Financial Overview

### Financial Review

SumT's revenue declined at a -7.7% CAGR over FY22–FY25, driven by (i) semiconductor capex and manufacturing facility expansion slowdown in FY24 due to industry overcapacity, and (ii) MNCs adopting a wait-and-see approach amid tariff uncertainties in FY25. These factors caused SumT's turnkey solutions segment (contributing 69%–90% of revenue) to decline at a -14.1% CAGR, from RM74.9mn in FY22 to RM47.5mn in FY25. SumT's FY25 total revenue grew 27.9% YoY, supported by a 33.2% YoY increase in its turnkey solutions segment, driven by the securing of two EV battery plant projects awarded by Honghui Engineering Sdn Bhd and a data centre project awarded by SSPI Inc for MEPF works.

On the earnings front, SumT recorded a -2.2% CAGR over FY22–FY25. The decline in earnings was lower than the drop in revenue as, since FY24, SumT has begun procuring materials in-house while subcontracting only labour. This enabled SumT to improve GP margin to ~24% in FY24–FY25 (~13% in FY22–FY23). In addition, after excluding listing expenses, SumT's core earnings grew at a 2.7% CAGR over FY22–FY25. FY25 earnings rose 12.4% YoY, driven by the recovery in the turnkey solutions segment and the sustained higher GP margin of ~23.8%.

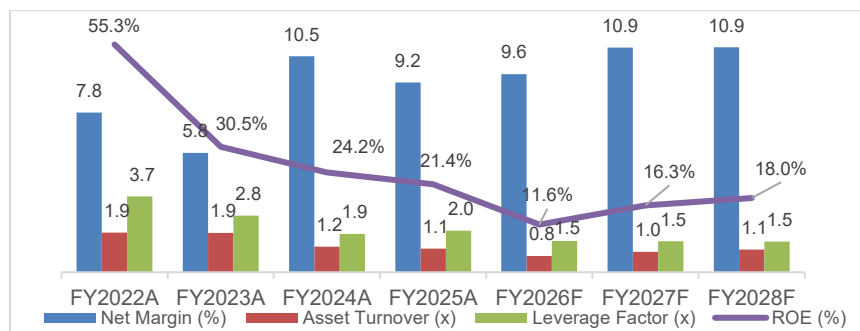
### Financial Forecast

We are projecting SumT's core earnings of RM9.0mn in FY26F and RM13.4mn in FY27F, driven by (i) Semiconductor, DC and EV-related capex-driven turnkey solutions revenue recovery, (ii) capacity expansion through workforce growth and manufacturing relocation, as well as (iii) improving margins from project mix and higher Philippines contribution.

FYE 31 Dec	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue (RM'mn)	51.4	65.7	83.1	123.0	166.1
EBITDA (RM'mn)	7.8	8.8	11.5	18.7	25.0
Pretax profit (RM'mn)	7.2	8.1	10.5	17.7	23.9
Net profit (RM'mn)	5.4	6.1	8.0	13.4	18.2
EPS (sen)	1.2	1.3	1.8	3.0	4.0
PER (x)	23.4	20.8	15.7	9.4	6.9
Core net profit (RM'mn)	5.8	7.0	9.0	13.4	18.2
Core EPS (sen)	1.3	1.6	2.0	3.0	4.0
Core EPS growth (%)	13.2	20.6	27.7	49.8	35.3
Core PER (x)	21.7	18.0	14.1	9.4	6.9
Net DPS (sen)	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	24.2	21.4	11.6	16.3	18.0
P/BV (x)	5.7	4.5	1.8	1.5	1.3

# EPS and DPS are divided by the enlarged issued shares of 450,000,000 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

Operating Stats	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Turnkey Solutions Segmental Growth Rate (%)	-55.1%	33.2%	28.6%	46.9%	34.7%
MVAC Manufacturing Solutions Segmental Growth Rate (%)	93.9%	6.9%	21.0%	51.0%	36.0%
Trading of MVAC Product Segmental Growth Rate (%)	80.7%	26.9%	21.0%	51.0%	36.0%

## Sensitivity Analysis

**Case 1: Changes in MEPF Utilities Sub-segmental growth rate against MEPF Utilities Sub-segmental GP margin to derive core earnings**

**MEPF Utilities Sub-Segmental Growth Rate in FY27F: 51.0%**

**MEPF Utilities Sub-Segmental GP Margin in FY27F: 24.0%**

MEPF Utilities Sub-Segmental Growth Rate (%) / MEPF Utilities Sub-Segmental GP Margin (%)	31.0%	41.0%	51.0%	61.0%	71.0%	81.0%
21.0%	11.1	11.5	11.9	12.3	12.7	13.1
22.0%	11.5	11.9	12.4	12.8	13.3	13.7
23.0%	12.0	12.4	12.9	13.4	13.8	14.3
24.0%	12.4	12.9	13.4	13.9	14.4	14.9
25.0%	12.9	13.4	13.9	14.5	15.0	15.6
26.0%	13.3	13.9	14.5	15.0	15.6	16.2

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

**Core Net Profit in FY27F: RM13.4mn**

Core Net profit (RM'mn) / PE (x)	9.4	11.4	13.4	15.4	17.4	19.4
10.0	0.21	0.25	0.30	0.34	0.39	0.43
11.0	0.23	0.28	0.33	0.38	0.43	0.47
12.0	0.25	0.30	0.36	0.41	0.46	0.52
13.0	0.27	0.33	0.39	0.45	0.50	0.56
14.0	0.29	0.36	0.42	0.48	0.54	0.60
15.0	0.31	0.38	0.45	0.51	0.58	0.65

## Financial Exhibits

### Income Statement

FYE 31 Dec (RM'mn)	FY2022A	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue	83.5	88.6	51.4	65.7	83.1	123.0	166.1
Operating expenses	(74.7)	(80.9)	(43.6)	(56.9)	(71.6)	(104.3)	(141.1)
<b>EBITDA</b>	<b>8.7</b>	<b>7.7</b>	<b>7.8</b>	<b>8.8</b>	<b>11.5</b>	<b>18.7</b>	<b>25.0</b>
Depreciation & amortisation	(0.4)	(0.5)	(0.4)	(0.4)	(0.3)	(0.4)	(0.5)
<b>EBIT</b>	<b>8.3</b>	<b>7.2</b>	<b>7.4</b>	<b>8.4</b>	<b>11.2</b>	<b>18.3</b>	<b>24.6</b>
Net int income/(expense)	(0.0)	(0.3)	(0.2)	(0.3)	(0.7)	(0.7)	(0.7)
Exceptional gains / (losses)	0.0	0.0	(0.4)	(1.0)	(1.0)	0.0	0.0
Associates' contribution	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pretax profit</b>	<b>8.3</b>	<b>6.9</b>	<b>7.2</b>	<b>8.1</b>	<b>10.5</b>	<b>17.7</b>	<b>23.9</b>
Tax	(1.8)	(1.8)	(1.8)	(2.1)	(2.5)	(4.2)	(5.7)
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>6.5</b>	<b>5.1</b>	<b>5.4</b>	<b>6.1</b>	<b>8.0</b>	<b>13.4</b>	<b>18.2</b>
<b>Core net profit</b>	<b>6.5</b>	<b>5.1</b>	<b>5.8</b>	<b>7.0</b>	<b>9.0</b>	<b>13.4</b>	<b>18.2</b>

### Balance Sheet Statement

FYE 31 Dec (RM'mn)	FY2022A	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Fixed assets	0.6	5.0	6.0	6.8	10.5	13.8	14.4
Other long term assets	0.6	0.3	0.4	0.6	0.6	0.6	0.6
<b>Total non-current assets</b>	<b>1.2</b>	<b>5.3</b>	<b>6.4</b>	<b>7.4</b>	<b>11.1</b>	<b>14.4</b>	<b>14.9</b>
Cash and equivalents	5.0	10.5	5.2	4.9	53.2	60.5	68.8
Inventories	0.9	0.8	0.8	0.8	0.8	1.2	1.7
Receivables	19.6	22.1	22.3	34.5	30.0	33.2	44.9
Other current assets	16.6	7.7	6.7	9.7	10.2	15.0	20.2
<b>Total current assets</b>	<b>42.0</b>	<b>41.1</b>	<b>35.1</b>	<b>49.9</b>	<b>94.3</b>	<b>110.0</b>	<b>135.5</b>
Payables	28.9	14.7	8.2	9.4	14.2	18.6	25.3
Short term borrowings	0.3	7.6	3.0	13.8	13.8	13.8	13.8
Other current liabilities	2.1	2.7	2.7	0.0	2.5	3.7	5.0
<b>Total current liabilities</b>	<b>31.3</b>	<b>25.0</b>	<b>13.8</b>	<b>23.2</b>	<b>30.5</b>	<b>36.1</b>	<b>44.0</b>
Long term borrowings	0.0	4.5	5.3	5.2	5.2	5.2	5.2
Other long term liabilities	0.2	0.0	0.1	0.6	0.6	0.6	0.6
<b>Total long term liabilities</b>	<b>0.2</b>	<b>4.5</b>	<b>5.4</b>	<b>5.8</b>	<b>5.8</b>	<b>5.8</b>	<b>5.8</b>
<b>Shareholders' Funds</b>	<b>11.7</b>	<b>16.9</b>	<b>22.2</b>	<b>28.3</b>	<b>69.1</b>	<b>82.5</b>	<b>100.6</b>
<b>Minority Interest</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### Cash Flow Statement

FYE 31 Dec (RM'mn)	FY2022A	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Pretax Profit	8.3	6.9	7.2	8.1	10.5	17.7	23.9
Depreciation & amortisation	0.4	0.5	0.4	0.4	0.3	0.4	0.5
Working capital changes	(3.0)	(7.0)	(6.8)	(16.7)	11.3	(2.8)	(9.4)
Cash tax paid	(1.8)	(2.0)	(1.7)	(1.9)	(2.5)	(4.2)	(5.7)
Others	(0.0)	0.3	1.0	0.9	0.0	0.0	0.0
<b>C/F from operation</b>	<b>3.9</b>	<b>(1.4)</b>	<b>0.1</b>	<b>(9.1)</b>	<b>19.6</b>	<b>11.0</b>	<b>9.3</b>
Capex	(0.5)	(4.6)	(1.1)	(1.1)	(4.0)	(3.7)	(1.0)
Others	(0.1)	(0.3)	(0.3)	(1.3)	0.0	0.0	0.0
<b>C/F from investing</b>	<b>(0.5)</b>	<b>(4.9)</b>	<b>(1.4)</b>	<b>(2.4)</b>	<b>(4.0)</b>	<b>(3.7)</b>	<b>(1.0)</b>
Debt raised/(repaid)	(0.0)	11.5	(4.0)	10.5	0.0	0.0	0.0
Dividends paid	(1.0)	0.0	0.0	0.0	0.0	0.0	0.0
Others	(0.0)	(0.3)	(0.3)	(0.3)	32.8	0.0	0.0
<b>C/F from financing</b>	<b>(1.1)</b>	<b>11.2</b>	<b>(4.3)</b>	<b>10.1</b>	<b>32.8</b>	<b>0.0</b>	<b>0.0</b>
<b>Net change in cash flow</b>	<b>2.3</b>	<b>4.9</b>	<b>(5.7)</b>	<b>(1.3)</b>	<b>48.3</b>	<b>7.3</b>	<b>8.3</b>
<b>Free Cash Flow</b>	<b>3.5</b>	<b>(6.0)</b>	<b>(1.0)</b>	<b>(10.2)</b>	<b>15.6</b>	<b>7.3</b>	<b>8.3</b>



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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

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