PUBLIC INVESTMENT BANK

BURSA RISE+

**PublicInvest Research** *IPO Note* — Tuesday, April 21, 2026

KDN PP17686/03/2013(032117)

# INSPACE CREATION BHD — *Fair Value: RM0.33*

**DESCRIPTION**

Inspace Creation Bhd is principally involved in the provision of interior fitting-out services.

| | |
|---|---|
| **Fair Value** | RM0.33 |
| **IPO Price** | RM0.25 |
| **Expected Return** | +32.0% |
| **Closing Application Date** | 22 April 2026 |
| **Indicative Listing Date** | 8 May 2026 |

| | |
|---|---|
| **Market** | ACE |
| **Bursa Code** | 0451 |
| **Bloomberg Ticker** | INSPACE MK |
| **Shariah-compliant** | Yes |

| **IPO DETAILS** | **Shares(m)** |
|---|---|
| **Offer for Sale** | 29.3 |
| **Public Issue** | 68.5 |

| **UTILISATION OF PROCEEDS** | **RM (m)** |
|---|---|
| Capital expenditure | 6.0 |
| Working capital | 4.4 |
| Repayment of bank borrowings | 2.7 |
| Estimated listing expenses | 4.0 |
| **Total** | **17.1** |

**KEY STOCK DATA**

| | |
|---|---|
| Market Capitalisation (RM m) | 92.3 |
| No. of Shares (m) | 369.3 |

**MAJOR SHAREHOLDERS**

| | **%** |
|---|---|
| Conceptual Holdings S/B | 59.4 |
| Wong Chong Siong | 14.1 |

## Transforming Spaces, Elevating Experiences

### Investment Highlights

- **End-to-End service capability.** Inspace Creation Bhd (INSPACE) offers end-to-end interior fitting-out services, providing a single point of contact to streamline execution, support efficiency, ensure quality control and timely project delivery.
- **Proven track record with client retention.** Backed by an experienced management team and strong track record, INSPACE has built long-term client relationships that support repeat engagements across its client base.
- **Strategic plan for further growth.** INSPACE is positioned for growth through footprint expansion beyond the Klang Valley, broader commercial segments, and enhanced operational efficiency via planned storage and mock-up facilities.

### Company Background

- **Commercial office interior fit-out contractor.** INSPACE provides interior fitting-out services, with operations presently concentrated within the commercial office property segment in the Klang Valley. Its services include project planning and management, design conceptualisation and build, as well as servicing and maintenance. Supported by an in-house team and external contractors, it primarily serves private sector clients in Malaysia as the main contractor, while also undertaking work as a subcontractor when required. Projects are secured on a case-by-case basis, catering to corporate identity, functional and aesthetic requirements of landlords, corporate tenants and other main contractors.

### Industry Landscape

- **Positioned for steady industry growth.** Malaysia's interior fitting-out work value is projected to grow from RM2.8bn in 2025 to RM3.5bn in 2027 (CAGR: 11.8%), driven by growth in commercial property sector, shifting space requirements, growth across end-user industries, as well as both foreign and domestic investment. (Source: Providence Strategic Partners S/B, from company prospectus).

### Valuation

- We derive a **fair value of RM0.33** by ascribing a 12x PER to CY27F EPS, implying a 20% discount to its locally listed peers' PER of ~15x. Despite its decent margins, we believe the discount is justified given INSPACE's relatively smaller market capitalisation. We forecast the Group's earnings to grow at a three-year CAGR of 11%, supported by expansion initiatives, client diversification and on-going efficiency enhancements. Longer-term prospect are expected to be underpinned by favourable commercial property sector expansion, evolving workspace requirements, together with sustained investment activities.

### Key Risks

- Key downside risks include: i) reliance on property and construction market conditions, ii) competition, and iii) reliance on subcontractors with contingent foreign labour.

**KEY FINANCIAL SUMMARY**

| FYE Nov (RM m) | 2024A | 2025A | 2026F | 2027F | 2028F | CAGR |
|---|---|---|---|---|---|---|
| Revenue | 57.7 | 78.6 | 90.4 | 104.0 | 119.5 | 15.0% |
| Gross Profit | 16.0 | 24.1 | 26.2 | 29.6 | 33.5 | 11.5% |
| Pre-tax Profit | 9.0 | 11.4 | 12.7 | 13.8 | 15.0 | 9.4% |
| Net Profit | 6.8 | 8.1 | 9.4 | 10.2 | 11.1 | 11.0% |
| EPS (Sen) | 1.8 | 2.2 | 2.5 | 2.8 | 3.0 | |
| P/E (x) | 13.7 | 11.4 | 9.9 | 9.1 | 8.3 | |
| DPS (Sen) | 1.2 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Dividend Yield (%) | 4.9% | 0.0% | 0.0% | 0.0% | 0.0% | |

Source: Company, PublicInvest Research

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## Business Overview

*Integrated interior fit-out across design, build, maintenance*

- **Interior fitting-out services.** INSPACE provides end-to-end interior fitting-out services encompassing project planning and management, design conceptualisation and build, as well as post-completion repair and maintenance on an ad-hoc basis. The Group manages procurement, sources subcontractors, and supervises execution, with designs endorsed by certified architects to ensure adherence to regulatory requirements. Core build activities include partitioning, flooring, finishes, customised carpentry and joinery, mechanical and electrical works, as well as information technology (IT) and systems installations.

## Future Plans

*Establishment of storage and mock-up space for operational improvement*

- **Establishment of a storage and mock-up space.** INSPACE plans to enhance operational efficiency by establishing a storage and mock-up space through the acquisition of a c.4,800 sq ft industrial building in the Klang Valley. The storage area is expected to support bulk procurement, improve cost efficiency, and reduce reliance on supplier delivery timelines, while the mock-up area should function as a showroom to showcase design concepts and material options. The facility is expected to commence operations within 24 months from its listing.

*Expanding beyond the Klang Valley into new commercial segments*

- **Geographical and segmental expansion.** In addition, INSPACE aims to expand beyond the Klang Valley and diversify into broader commercial segments such as hotel lobbies, common areas and show galleries. This is expected to be driven by participation in tenders outside of the Klang Valley, leveraging its existing team and local subcontractors, as well as strengthening engagement with property developers and main contractors to grow its project pipeline and client base.

## Competitive Advantages

*Established end-to-end interior fit-out contractor with repeat clients*

- **Established track record.** INSPACE provides end-to-end interior fitting-out services, offering clients a single point of contact to streamline execution and minimise delays. Backed by a Construction Industry Development Board Malaysia (CIDB) Grade 7 contractor licence and ISO 9001:2015 certification, the Group demonstrates its capability to deliver large-scale, quality-assured projects, supported by dedicated project management teams. Since its incorporation in 2017, the Group has built a c. 8-year track record, serving a diverse base of local and multinational corporations and earning multiple industry awards. Its strong service quality has increased repeat clients, reflecting continued confidence in its ability to deliver tailored and high-quality outcomes.

*Specialist in commercial office fit-outs for growing clients*

- **Expertise in commercial office fit-outs.** INSPACE specialises in commercial office fit-outs, delivering tailored, space-optimised and aesthetically refined workspaces. With industry expertise and regulatory compliance, INSPACE ensures smooth project execution and is well-positioned to capitalise on growing demand from local and overseas clients establishing or expanding operations.

*Robust subcontractor and supplier network ensures quality, safety, and timely delivery*

- **Robust partner ecosystem.** INSPACE has developed a robust ecosystem of pre-qualified subcontractors and suppliers, fostering long-term partnerships based on trust, proven performance and effective coordination. Through this network, the Group ensures high-quality, safe and timely project delivery, while maintaining scalability to manage multiple projects concurrently and consistently meet clients' expectations, reinforcing confidence in its capabilities.

*Experienced leadership driving growth and competitiveness*

- **Experienced management team.** Led by its Executive Directors and key senior management with 17 to 30 years' industry experience, INSPACE leverages their collective expertise to drive strategic growth, cultivate business relationships, and sustain a strong competitive position in the interior fitting-out industry.

## Key Risks

*Dependence on property development and construction activities*

- **Reliance on property and construction market conditions.** INSPACE's revenue depends on Malaysia's interior fitting-out industry, which is closely tied to the property development and construction sectors. Economic conditions, government policies and market sentiment may affect demand for interior fitting-out services, potentially impacting the Group's financial performance.

*Competition within the fitting-out market*

- **Competition.** The Malaysian interior fitting-out industry is competitive and may intensify due to market consolidation or new entrants. INSPACE's ability to maintain its competitive edge, provide superior services, and quickly adapt to evolving trends is critical. Failure to do so may result in reduced demand, loss of market share and adverse impact on financial performance.

*Dependence on subcontractors with exposure to foreign labour*

§ **Reliance on subcontractors with contingent foreign labour.** INSPACE relies heavily on subcontractors for project execution, including materials supply and installation works, exposing it to risks of non-performance, poor workmanship, delays, and potential liabilities for remedial works. While mitigating measures are in place, any underperformance by subcontractors may harm INSPACE's reputation and financial performance. In addition, reliance on subcontractors who may employ foreign labour could expose the Group to potential labour shortages and changes in labour or immigration policies, potentially affecting its project timelines and business operations.

## Environmental, Social and Governance (ESG)

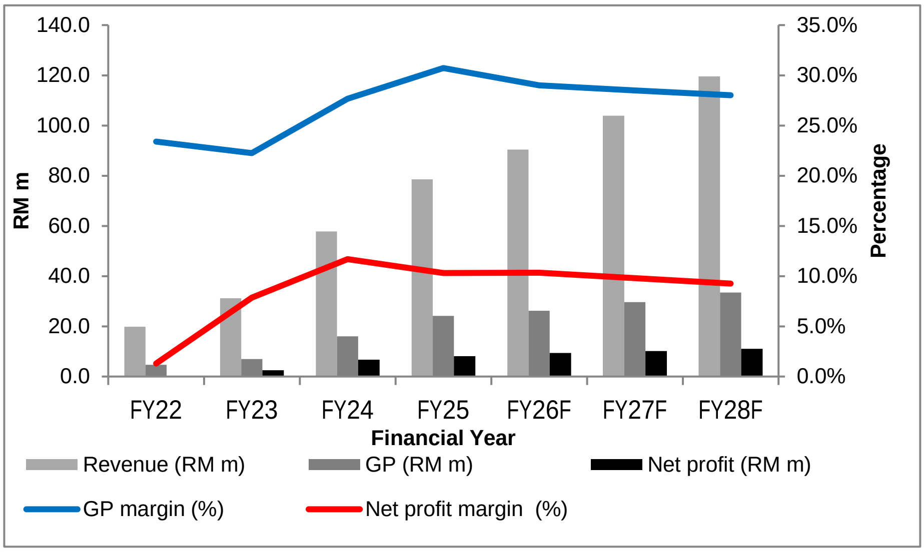
§ **Integration of sustainable practices across its operations.** INSPACE promotes environmental sustainability by encouraging the use of recyclable building materials, enhancing the efficient usage of energy and water, optimising material usage through recycling, and reducing construction waste via prefabrication, among others. The Group's social initiatives focus on occupational safety, fostering diversity and equality, and promoting employee skills development and career growth. Its governance practices comply with Malaysian laws and principles, featuring independent and gender-diverse board representation, anti-corruption and whistleblowing policies, ethical business conduct and personal data protection, collectively supporting sustainable operations and stakeholder confidence.

## Financials

§ **Revenue.** INSPACE's revenue rose from RM19.8m in FY22 to RM78.6m in FY25, representing a CAGR of c. 58.4%, reflecting strong growth momentum. Growth in FY23 (+57.6% YoY) and FY24 (+85.1% YoY) was driven by a strategic shift towards higher-value projects, resulting in higher average contract values despite lower (FY23) or stable (FY24) project volumes. In FY25, revenue growth (+36.1% YoY) was supported by higher progress recognition from on-going projects and contributions from completed projects.

§ **Profitability.** In tandem with revenue growth, INSPACE's gross profit (GP) increased from RM4.6m in FY22 to RM24.1m in FY25, driven by higher contribution from new and on-going projects. Correspondingly, the Group's GP margin improved from 23.4% in FY22 to 30.7% in FY25, supported by a better project mix and continued cost optimisation through improved supplier and subcontractor negotiations. Resultantly, INSPACE's net profit increased significantly from RM0.3m in FY22 to RM8.1m in FY25, reflecting strong earnings growth over the financial periods.

**Figure 1: Revenue and profitability**




Source: Company Prospectus, PublicInvest Research

§ **Order book.** As at 15 March 2026, INSPACE's order book stood at RM30.3m, with typical project durations of 3 to 6 months, depending on project scope and complexity.

- **Earnings forecast.** We forecast INSPACE to achieve a 3-year net profit CAGR of 11.0%, reaching RM11.1m in FY28F. Our projection is underpinned by geographical expansion beyond the Klang Valley and diversification of its client base, alongside enhancement of operational efficiency. Its long-term growth is anticipated to be bolstered by the expanding commercial property sector, shifting space requirements, growth across end-user industries, as well as resilience in both foreign and domestic investments.
- **Dividend policy.** INSPACE presently does not have any formal dividend policy.
- **Gross gearing.** Post IPO, INSPACE's gross gearing ratio would improve from 0.27x to 0.07x.

## Valuation

*Fair value of RM0.33, pegging it to 12x CY27 EPS*

- **P/E valuation approach.** We derive a **fair value of RM0.33** by ascribing a 12x PER to CY27F EPS. This represents a 20% discount to its locally listed peers' PER of ~15x. Despite its decent margins, we believe the discount is justified given INSPACE's relatively smaller market capitalisation. We forecast the Group's earnings to grow at a three-year CAGR of 11%, supported by expansion initiatives, client diversification and on-going efficiency enhancements. Longer-term prospects are expected to be underpinned by favourable commercial property sector expansion, evolving workspace requirements, together with sustained investment activities.

**Table 1: Peer comparison**

| Company | Market Cap (RM m) | P/E (x) | ROA (x) | ROE (%) | Dividend Yield (%) |
|---|---|---|---|---|---|
| Adnex Group Bhd | 137.5 | 14.9 | 13.4 | 28.9 | - |
| Signature Alliance Group Bhd | 740.0 | 15.0 | 12.4 | 28.8 | 2.7 |

Source: PublicInvest Research, Bloomberg

## IPO Details

INSPACE is seeking a listing with an enlarged issued and paid-up share capital of 369,301,600 shares on Bursa Malaysia's ACE Market. Pursuant to the IPO listing, the Group's market capitalisation is RM92.3m based on its IPO price of RM0.25.

The IPO allocation, post-IPO share capital of INSPACE and utilisation of IPO proceeds are shown in the following tables.

**Table 2: IPO allocation**

| Categories | No. of shares | % of enlarged share capital |
|---|---|---|
| **Public Issue:** | | |
| Malaysian public (via balloting)^ | 18,466,000 | 5.0 |
| Eligible persons | 8,500,000 | 2.3 |
| Private placement to selected investors | 41,534,000 | 11.3 |
| Subtotal | 68,500,000 | 18.6 |
| **Offer for sale:** | | |
| Private placement to selected investors | 29,300,000 | 7.9 |
| Sub-total | 29,300,000 | 7.9 |
| **Total** | **97,800,000** | **26.5** |

Source: Company Prospectus
^ 50.0% shall be set aside for Bumiputera investors

**Table 3: Post-IPO share capital**

| | No. of shares |
|---|---|
| Issued share capital as at 13 April 2026 | 300,801,600 |
| To be issued pursuant to the IPO | 68,500,000 |
| **Enlarged share capital upon listing** | **369,301,600** |

Source: Company Prospectus

**Table 4: Utilisation of IPO proceeds***

| Details of utilisation | RM m | % |
|---|---|---|
| Capital expenditure | 6.0 | 35.0 |
| Working capital | 4.4 | 25.6 |
| Repayment of bank borrowings | 2.7 | 16.0 |
| Estimated listing expenses | 4.0 | 23.4 |
| **Total** | **17.1** | **100.0** |

Source: Company Prospectus
* based on RM0.25 for 68,500,000 new shares issued

# KEY FINANCIAL DATA

## INCOME STATEMENT DATA

| FYE Nov (RM m) | 2024A | 2025A | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Revenue | 57.7 | 78.6 | 90.4 | 104.0 | 119.5 |
| Cost of Sales | -41.8 | -54.5 | -64.2 | -74.3 | -86.1 |
| **Gross Profit** | **16.0** | **24.1** | **26.2** | **29.6** | **33.5** |
| Other Income | 1.4 | 0.4 | 0.3 | 0.3 | 0.3 |
| Administrative Expenses | -7.3 | -11.0 | -12.9 | -15.1 | -17.6 |
| Other Operating Expenses | -0.5 | -0.7 | -0.7 | -0.8 | -1.0 |
| Finance Costs | -0.4 | -0.4 | -0.2 | -0.2 | -0.2 |
| Fair Value Loss on Other Investment | 0.0 | -0.5 | 0.0 | 0.0 | 0.0 |
| Net Impairment Loss on Financial Instruments | -0.2 | -0.6 | 0.0 | 0.0 | 0.0 |
| **Profit Before Taxation** | **9.0** | **11.4** | **12.7** | **13.8** | **15.0** |
| Tax Expense | -1.9 | -3.0 | -3.0 | -3.3 | -3.6 |
| Effective Tax Rate (%) | 21.6% | 26.6% | 24.0% | 24.0% | 24.0% |
| **Net Profit from Continuing Operations** | **6.8** | **8.1** | **9.4** | **10.2** | **11.1** |
| Non-controlling interest | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| | | | | | |
| **Growth (%)** | | | | | |
| Revenue | - | 36.1% | 15.0% | 15.0% | 15.0% |
| Gross Profit | - | 51.2% | 8.6% | 13.0% | 13.0% |
| Net Profit | - | 20.2% | 15.3% | 9.0% | 8.7% |

Source: Company Prospectus, PublicInvest Research estimates

## BALANCE SHEET DATA

| FYE Nov (RM m) | 2024A | 2025A | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Plant and Equipment | 1.4 | 1.5 | 1.6 | 1.7 | 7.4 |
| Trade Receivables | 22.7 | 10.0 | 13.6 | 15.6 | 17.9 |
| Cash and Bank Balances | 6.5 | 10.5 | 28.0 | 37.5 | 42.0 |
| Other Assets | 11.8 | 17.0 | 16.6 | 18.3 | 20.2 |
| **Total Assets** | **42.4** | **39.1** | **59.8** | **73.0** | **87.6** |
| Trade Payables | 10.1 | 8.6 | 10.2 | 11.8 | 13.7 |
| Total Borrowings | 6.8 | 4.9 | 2.0 | 2.0 | 2.0 |
| Other Liabilities | 16.2 | 7.7 | 8.6 | 9.7 | 11.0 |
| **Total Liabilities** | **33.1** | **21.2** | **20.8** | **23.5** | **26.7** |
| **Shareholders' Equity** | **9.4** | **18.0** | **39.0** | **49.5** | **60.9** |
| **Total Equity and Liabilities** | **42.4** | **39.1** | **59.8** | **73.0** | **87.6** |

Source: Company Prospectus, PublicInvest Research estimates

## PER SHARE DATA & RATIOS

| FYE Nov | 2024A | 2025A | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Book Value Per Share (Sen) | 2.5 | 4.9 | 10.6 | 13.4 | 16.5 |
| NTA Per Share (Sen) | 2.0 | 4.4 | 10.1 | 12.9 | 16.0 |
| EPS (Sen) | 1.8 | 2.2 | 2.5 | 2.8 | 3.0 |
| DPS (Sen) | 1.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payout Ratio (%) | 66.7% | 0.0% | 0.0% | 0.0% | 0.0% |
| ROA (%) | 15.9% | 20.7% | 15.7% | 14.0% | 12.7% |
| ROE (%) | 72.1% | 45.1% | 24.0% | 20.6% | 18.2% |

Source: Company Prospectus, PublicInvest Research estimates

# RATING CLASSIFICATION

**STOCKS**

**OUTPERFORM** The stock return is expected to exceed a relevant benchmark's total of 10% or higher over the next 12months.

**NEUTRAL** The stock return is expected to be within +/- 10% of a relevant benchmark's return over the next 12 months.

**UNDERPERFORM** The stock return is expected to be below a relevant benchmark's return by -10% over the next 12 months.

**TRADING BUY** The stock return is expected to exceed a relevant benchmark's return by 5% or higher over the next 3 months but the underlying fundamentals are not strong enough to warrant an Outperform call.

**TRADING SELL** The stock return is expected to be below a relevant benchmark's return by -5% or more over the next 3 months.

**NOT RATED** The stock is not within regular research coverage.

**SECTOR**

**OVERWEIGHT** The sector is expected to outperform a relevant benchmark over the next 12 months.

**NEUTRAL** The sector is expected to perform in line with a relevant benchmark over the next 12 months.

**UNDERWEIGHT** The sector is expected to underperform a relevant benchmark over the next 12 months.

# DISCLAIMER



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