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PETALING JAYA: Hong Leong Investment Bank Bhd (HLIB Research) views the operational outlook for MN Holdings Bhd (MNH) in 2025 as strong.

The group boasts a record-high order book of RM892.4 million and a robust tender book of RM1.5 billion.

"Also, we see better pricing for Tenaga Nasional Bhd's (TNB) projects, driven by the limited pool of M&E contractors and the strong pipeline of projects set to roll out in RP4. Additionally, MNH has highlighted a potential shift in DC development focus to the central region from the southern, which we reckon is favourable for the group's UUE segment.

"The upcoming LSS5, LSS5+, and LSS6 projects will provide further upside to MNH's order book," HLIB Research said in a report.

HLIB Research noted that as of March 13, MNH's order book hit a record RM892.4 million, with over 50% coming from DC sector and TNB projects.

Despite this strong position, tender activity remains healthy. RM1.5 billion worth of projects are currently being bid on, with 70% involving TNB and DC opportunities.

HLIB Research noted that half of DC-related tenders come from existing clients, while the other half represent new business from Western-based DC operators.

"The group maintains a selective approach, pursuing projects that either strengthen its track record or deliver attractive margins, with ample opportunities still available in the market," the bank-backed research firm said.

Further, HLIB Research noted that the upcoming LSS5, LSS5+, and LSS6 projects (totaling 6GW) are set



MN Holdings' businesses include provision of substation engineering services and solutions to private and public utilities companies in the power industry in Malaysia. The group boasts a record-high order book of RM892.4 million and a robust tender book of RM1.5 billion. — MN HOLDINGS PIC

to boost MNH's order book, surpassing TNB's 4GW ESA for data centres.

"Unlike CGPP, LSS requires timely execution, ensuring quicker project rollout. MNH expects improved pricing power due to the larger market opportunity — LSS5 and LSS5+ alone exceed cumulative past utility-scale quotas — and limited competition among M&E specialists.

"Higher project capacities should also translate to bigger

contract values and stronger margins," HLIB Research said.

HLIB Research maintains a "buy" call for MNH with an unchanged target price of RM1.54.

"We favour the group for its strong exposure to high-growth sectors such as solar and data centres.

"Additionally, MNH is well-positioned as a proxy for Malaysia's rising power demand and stands to benefit from TNB's capex upcycle," HLIB Research said.