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MN Holdings set to benefit from project pipeline

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PETALING JAYA: MN Holdings Bhd, a provider of infrastructure utilities construction services, is expected to see the company's pipeline of projects grow from a healthy tender book of RM5.1bil comprising data centre (DC) and Tenaga Nasional Bhd (TNB) projects, says Phillip Capital Research.

The research house has maintained a "buy" call on the stock with a target price of RM4.57 pegged to an unchanged 24 times price-earnings multiple on fully diluted 2027 earnings per share.

"We remain positive on MN Holdings' financial year ending June 30, 2027 (FY27) outlook, supported by a robust pipeline of DC-related and TNB opportunities," it added.

It said that the company's strong positioning can capture structural growth opportunities in the power infrastructure segment and strategic exposure to the fast-growing DC and solar sectors.

A robust outstanding order book of RM1.6bil as of August 2026 comprising DCs at 57% and TNB projects at 32% continues to anchor the project pipeline, with solar (7%) and others (4%) making up the remainder.

"We expect earnings momentum to further strengthen in FY27.

"This is supported by RM1bil of the existing order book scheduled for recognition over the next 12 months, alongside a record RM5.1bil tender book (RM3.7bil at the third quarter of FY26), with TNB and DCs accounting for 54% and 29%, respectively," it said.

It added that the company "is well on track to reach our FY27 replenishment forecast of RM1.3bil" following year-to-date wins of RM300mil.

"We understand that the TNB tender is led by two 500 kilovolts substation packages with a combined value of RM1.5bil, with the remaining projects ranging from RM6mil to RM90mil.

"In DC, the RM1.4bil tender book comprises new and existing customers, anchored by an RM500mil tender from customer A, which includes two 275kV substation packages, alongside a separate RM260mil cable job."

Separately, management is exploring a move beyond engineering, procurement, construction and commissioning into solar asset ownership, positioning for large scale solar five plus (LSS5+)/LSS6 and the Corporate Green Power Programme opportunity arising from the Data Centre Task Force's 30% renewable energy self-generation mandate, which applies to both new and existing DCs.