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PETALING JAYA: Maybank Investment Bank Research (Maybank IB) is bullish on BM Greentech Bhd's earnings for the second half of financial year 2026 (2H26) underpinned by its bio-energy and water treatment segments.

The research house in a recent analyst briefing with the company's management said that it expects 2H26 earnings to be supported primarily by growth in these segments.

According to Maybank IB, while the solar segment faces temporary headwinds, it believes its pivot into battery energy storage system (Bess) solutions, together with the rollout of solar accelerated transition action programme should position it for

stronger momentum in financial year 2027.

BM Greentech is primarily engaged in providing integrated sustainable solutions across bioenergy, water treatment and solar energy.

To offset the weaker residential segment, the company is engaging its commercial and industrial customer base to integrate Bess solutions, enabling greater energy cost savings by mitigating the higher maximum demand charges under Tenaga Nasional Bhd's new tariff structure for medium voltage users.

Maybank IB said it understood that most of these new Bess opportunities were still at early stages during the third quarter

financial year 2026 (3Q26), with stronger earnings contributions anticipated in 4Q26.

BM Greentech also noted that project deliveries for its bio-energy and water treatment segments are typically higher in 2H due to clients' site readiness.

Notably, its maiden water treatment project dedicated to the data centre is scheduled for project delivery in 3Q26, and it remains in active discussion with the client for future expansion phases.

The research house said it remains optimistic in the company's diversified sustainable energy solutions and is maintaining its "buy" stance with a sum-of-parts target price of RM2.24.