isentia
AUTHOR: No author available SECTION: BUSINESS TIMES AUDIENCE : 36,278 PAGE: 6
PRINTED SIZE: 230.00cm² REGION: KL MARKET: Malaysia PHOTO: Full Color ASR: MYR 7,668
WORDS: 294 ITEM ID: DP0121277420

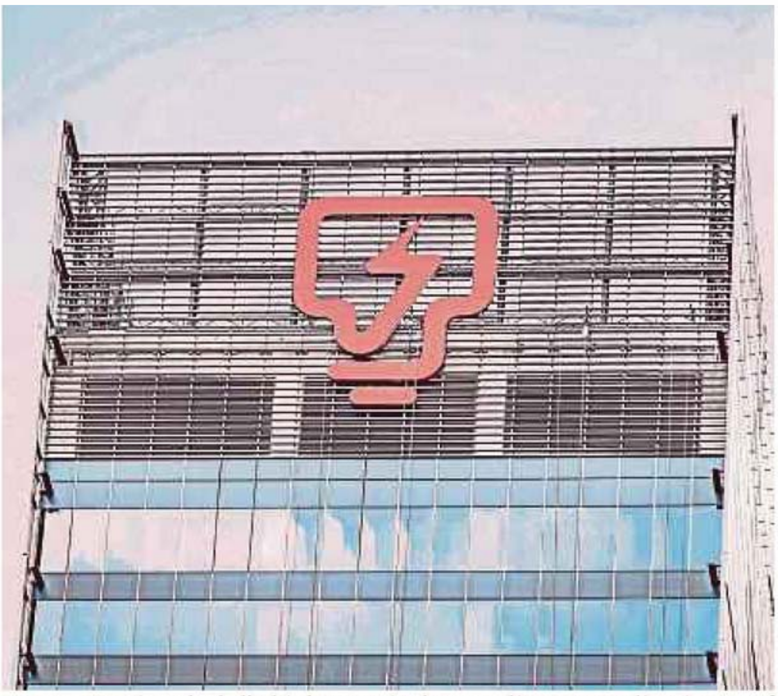
04 JUL, 2026

‘Overweight’ stance stays on power infrastructure sector

New Straits Times, Malaysia

‘BUY’ CALLS ON 4 FIRMS

‘Overweight’ stance stays on power infrastructure sector



Tenaga Nasional Bhd’s higher capital expenditure spending is one of the key themes underpinning the sector’s growth over the next three to five years. NSTP FILE PIC

KUALA LUMPUR: Malaysia’s power infrastructure sector’s outlook remains bright, underpinned by a multi-year capital expenditure (capex) upcycle that structurally favours listed grid-exposed players, said Hong Leong Investment Bank Bhd (HLIB Research).

The firm said three key themes underpinning the sector’s growth over the next three to five years include Tenaga Nasional Bhd’s (TNB) higher capex spending, data centre-led private-sector demand and incremental solar-related infrastructure works.

These should drive earnings growth for mechanical and electrical contractors as well as power cable manufacturers over the next three to five years, it said.

HLIB Research said the current upcycle was increasingly skewed towards mechanical and electrical contractors and cable manufacturers, as the bottleneck sits at the medium- and high-voltage infrastructure layer.

As project sizes grow larger, HLIB Research noted that working capital is becoming a higher barrier to entry, which should increasingly concentrate project wins among listed players with stronger balance sheets and better access to capital.

“We believe this should increasingly concentrate project wins among listed players with stronger balance sheets and better access to capital, while smaller unlisted contractors may face greater execution constraints.”

Overall, HLIB Research has maintained its “overweight” stance on the power infrastructure sector.

The firm stays selective and prefers names with clearer order flow visibility, execution edge and funding capacity.

It maintained “buy” on MNH Global Assets Bhd and Southern Cable Group Bhd and initiated coverage on EITA Power Sdn Bhd and UUE Holdings Bhd with “buy” ratings.