



06 JAN, 2026

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The Star, Malaysia

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PETALING JAYA: Analysts are positive on solar photovoltaic supplier Pekat Group Bhd's RM113.3mil two-year contract from Tenaga Nasional Bhd (TNB) for the supply of 11 kilovolt ring main units with inter-connector and remote control boxes of various configurations.

Apex Securities said the award lifts its

outstanding order book to RM745.3mil, which was 2.6 times its financial year ending Dec 31, 2024 (FY24) revenue.

The outlook for the company remains positive, supported by TNB's Regulatory Period 4 capital expenditure (capex) plan, under which more than half of total capex is expected to be allocated to distribution

upgrades, grid automation and connectivity investments. No changes are made to earnings forecasts, as the contract win is already captured within the FY26 order book replenishment assumption.

The research house has upgraded the stock to a "buy" with a higher target price of RM1.87 from RM1.68.