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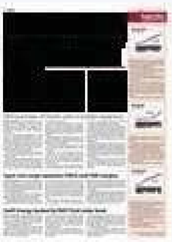

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MN Holdings to ride power infrastructure wave

The Star, Malaysia

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Higher RM4.65 valuation reflects key sector beneficiary

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>
> Hong Leong Investment Bank Research

PETALING JAYA: Malaysia's power infrastructure buildout is accelerating faster than initially expected, and MN Holdings Bhd (MNH) is well-positioned to ride this multi-year investment wave, underpinned by its direct exposure to the data centre (DC), solar, and Tenaga Nasional Bhd's (TNB) spending upcycle.

Based on the company's recent results briefing and TNB's latest earnings call, Hong Leong Investment Bank (HLIB) Research said the power infrastructure pipeline expansion looks to be exceeding expectations.

MNH's tender book has already hit a record RM5bil, with its TNB, DC and solar segments all reaching new highs at 54%, 29% and 8%, respectively.

"This is consistent with our anchor thesis that project call-ups should accelerate from second half of financial year 2026 (2H26) onwards, although the scale of the pipeline is now larger than we initially anticipated," the research house said.

While the firm's management maintained its order-win target for the financial year 2026 (FY26) at RM600mil, HLIB Research said it believes at least RM1bil is achievable, with actual wins potentially coming in higher if any 500-kilovolt projects or sizeable DC contracts materialise.

The group's year-to-date order wins stand at around RM350mil.

"Its RM1.6bil order book provides good visibility against our FY27 revenue forecast of RM1.2bil, with about RM1bil of DC and solar projects expected to be recognised during FY27," the research house said.

With the DC Task Force having approved another five gigawatts (GW) of DC capacity on top of the existing 8.3GW, it said DC project call-ups could further ramp up in 2027 and 2028.

Among MNH's RM1.6bil DC tender pipeline, approximately RM500mil is linked to its Customer A.

HLIB Research said the timing of this RM500mil award is a key swing factor for FY27 earnings estimates, with a win secured in 1H27 potentially lifting its forecasts.

It added that Customer A, as well as other MNH customers, are currently expanding across multiple sites, which should result in repeat project call-ups as campuses move into their subsequent phases.

HLIB Research has maintained a "buy" rating on the stock with a higher target price of RM4.65 per share, after rolling forward its valuation base to 2027 and raising the target price-to-earnings to 24 times from 22 times previously.