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New win boosts MN Holdings' contract momentum

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PETALING JAYA: MN Holdings Bhd's latest contract award reinforces healthy contract momentum as it continues to be seen as a proxy for Malaysia's expanding power infrastructure with strategic exposure in the rapidly growing data centre and solar sectors.

Phillip Capital Research said the latest award marked the group's third win in the financial year 2027 (FY27), bringing year-to-date wins of RM235mil.

This represents 18% of the research house's RM1.3bil replenishment assumption. This lifts the company's outstanding order book to RM2bil.

"Assuming an 11% net margin on MN Holdings' effective 80% stake, we estimate the contract to contribute RM6mil profit after tax.

"More importantly, the 275kV underground cable infrastructure project for Intel's Penang operations further broadens MN Holdings' track record in semiconductor power infrastructure," Phillip Capital Research said in a report.

The research house sees further replenishment opportunities ahead, with Tenaga Nasional Bhd (TNB) jobs accounting for 63% of the group's RM3.6bil tender book.

This is underpinned by TNB's RM42.8bil regulated capital expenditure allocation under Regulatory Period 4 (2025 to 2027), of which only RM5.6bil has been deployed in the first half of financial year 2026, pointing to a significant ramp-up in project rollouts ahead.

MN Holdings' wholly-owned subsidiary, MN Utilities Engineering Sdn Bhd (MNUE), together with Pembinaan Tajri Sdn Bhd (PTSB), had secured a contract from TNB worth RM67.3mil. MNUE holds an 80% stake in the joint venture, with the remaining 20% held by PTSB.

The contract covers the installation of a new 275kV reconfiguration underground cable system from LILO Point to the Intel Electronic Malaysia switching station for 275kV bulk supply to Intel Penang.

The scope includes engineering, design, supply and erection works, along with all associated civil works, with completion targeted by March 2028.

Phillip Capital Research reiterated its "buy" call for MN Holdings with a 12-month target price of RM4.57, based on a 24 times price-to-earnings multiple on fully diluted 2027 estimated earnings per share.

"Key risks include slower-than-expected project rollouts affecting order book replenishment and unforeseen delays."